

BREAKTHROUGH MIAMI, INC.

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

FOR THE YEAR ENDED
MARCH 31, 2024

TABLE OF CONTENTS	PAGE
INDEPENDENT AUDITOR’S REPORT	1-3
FINANCIAL STATEMENTS	
Statement of Financial Position.....	4
Statement of Activities.....	5
Statement of Cash Flows.....	6
Statement of Functional Expenses.....	7
Notes to Financial Statements.....	8-14
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards.....	15
Schedule of State Financial Assistance.....	16
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	17
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>	18-19
Independent Auditor’s Report on Compliance for each Major Federal Program and State Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.650, <i>Rules of the Florida Auditor General</i>	20-22
Schedule of Findings and Questioned Costs – Federal Awards Programs and State Financial Assistance.....	23-24



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Breakthrough Miami, Inc.
Miami, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Breakthrough Miami, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of March 31, 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of March 31, 2024, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 audits. 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 GAAS 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 GAAS 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.

Supplementary 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 federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, 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 schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
January 14, 2025

BREAKTHROUGH MIAMI, INC.
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,478,681
Grants and other receivables (Note 2)	473,120
Contributions receivable, current portion (Note 3)	905,051
Other assets	2,833
TOTAL CURRENT ASSETS	<u>3,859,685</u>

CONTRIBUTIONS RECEIVABLE, net (Note 3)	<u>350,547</u>
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TOTAL ASSETS	<u><u>\$ 4,210,232</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 113,439
Deferred revenue (Note 4)	64,900
TOTAL CURRENT LIABILITIES	<u>178,339</u>

TOTAL LIABILITIES	<u>178,339</u>
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NET ASSETS

Without donor restriction	3,358,277
With donor restriction (Note 5)	673,616
TOTAL NET ASSETS	<u>4,031,893</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,210,232</u></u>
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The accompanying notes are an integral part of these financial statements.

BREAKTHROUGH MIAMI, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2024

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
Grants and contracts	\$ 3,336,811	\$ 175,000	\$ 3,511,811
Contributions	1,611,935	16,000	1,627,935
Special events	34,825	-	34,825
In-kind contributions (Note 10)	3,508,047	-	3,508,047
Other income	47,024	-	47,024
Net assets released from restriction	222,922	(222,922)	-
	<u>8,761,564</u>	<u>(31,922)</u>	<u>8,729,642</u>
EXPENSES			
Program services	7,350,448	-	7,350,448
General and administrative	1,004,801	-	1,004,801
Fundraising	357,079	-	357,079
	<u>8,712,328</u>	<u>-</u>	<u>8,712,328</u>
CHANGE IN NET ASSETS	49,236	(31,922)	17,314
NET ASSETS - Beginning of year	3,309,041	705,538	4,014,579
NET ASSETS - End of year	<u>\$ 3,358,277</u>	<u>\$ 673,616</u>	<u>\$ 4,031,893</u>

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

BREAKTHROUGH MIAMI, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 17,314
Adjustments to reconcile change in net assets to net cash (used in) operating activities:	
Depreciation	1,281
(Increase) Decrease in assets:	
Contributions receivable	(276,177)
Grants and other receivables	2,330
Other assets	40
Increase (Decrease) in liabilities:	
Accounts payable and accrued expenses	16,781
Deferred revenue	900
Total adjustments	<u>(254,845)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(237,531)</u>
NET DECREASE IN CASH	(237,531)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,716,212</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,478,681</u></u>

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

BREAKTHROUGH MIAMI, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2024

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Payroll and other related expenses	\$ 2,783,049	\$ 615,853	\$ -	\$ 3,398,902
Professional fees	-	197,760	-	197,760
Stipends	254,056	-	-	254,056
Rent/Office expenses	-	51,181	-	51,181
Supplies	140,845	-	-	140,845
Marketing	-	-	3,488	3,488
Travel/Transportation	393,149	1,109	-	394,258
Insurance	-	27,806	-	27,806
Utilities/IT	-	28,692	-	28,692
Fundraising expenses/special events	-	-	81,724	81,724
Food program	102,470	-	-	102,470
Other program expenses	462,680	115	-	462,795
Depreciation Expense	896	385	-	1,281
In-kind	3,213,303	22,877	271,867	3,508,047
Other administrative expense	-	59,023	-	59,023
TOTAL EXPENSES	\$ 7,350,448	\$ 1,004,801	\$ 357,079	\$ 8,712,328

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

BREAKTHROUGH MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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

Nature of Activities

Breakthrough Miami, Inc. (the “Organization”), is a not-for-profit organization, incorporated in November 2008 under IRS Code Section 501 (c) (3) that uses a “students-teaching-students’ model to create a rigorous, vibrant learning community, where highly motivated, traditionally underrepresented 5th – 12th grade students are supported to achieve post-secondary success, and emerging student leaders are inspired to become the next generation of educators and advocates.

During the year ending March 31, 2024, the Organization operated academic enrichment programs at seven sites during the school year. The school year sites were Carrollton School of the Sacred Heart, Gulliver Preparatory, Miami Country Day School, Palmer Trinity School, Ransom Everglades School, the University of Miami and St. Andrew’s School.

The Organization is an affiliate of Breakthrough Collaborative (“BTC”), a national organization. See Note 9.

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”). In September 2009, the Financial Accounting Standards Board (“FASB”) implemented the Accounting Standards Codification (“ASC”) which establishes FASB ASC as the source of authoritative U.S. accounting and reporting standards for nongovernmental entities. Presented below is a summary of significant accounting principles followed in the preparation of the accompanying financial statements.

Basis of 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 restriction – 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 restriction – 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. See Note 5.

Cash and Cash Equivalents

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

BREAKTHROUGH MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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

Contributions Receivable

When a donor has unconditionally promised to contribute funds to the Organization in future periods, the Organization recognizes a contribution receivable. Contributions expected to be collected within one year are recorded as support and a receivable at net realizable value. Contributions expected to be collected in future years are recorded as support and a receivable at the present value of expected future cash flows. Discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. A provision for doubtful contributions receivable has not been established as management considers all accounts to be collectible based on favorable history over a substantial period of time.

Revenue and Revenue Recognition

The Organization's principal sources of revenue are derived from local, federal, and state grants as well as contracts and contributions.

Grant and Contract Revenue

Grant funding is derived from cost-reimbursable federal, state, local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures or has satisfied the performance requirements in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures or satisfying the specific performance requirements are reported as refundable advances in the statement of financial position. The Organization had refundable advances of \$64,900 as of March 31, 2024. Based on the Organization's experience with the grantors, management has determined that the related grants receivable are fully collectible. Consequently, no allowance for doubtful accounts is included in the accompanying financial statements.

Contributions

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized as revenue until the conditions on which they depend have been met. All contributions are considered to be available for general use unless specifically restricted by the donor. All contributions receivable and amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restriction as an increase to that net asset classes. When a restriction expires, restricted net assets are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as without donor restriction.

Property and Equipment

Fixed assets are recorded at historical cost, if purchased. Donated fixed assets are recorded at their estimated fair value at the time of receipt. Depreciable assets with a value in excess of \$1,000 are depreciated using the straight-line method over the estimated useful lives, ranging from three to ten years for equipment, furniture, fixtures and computer software and transportation equipment, and five to forty years for buildings and improvements. Expenditures for repairs and maintenance are charged to expenses as incurred.

BREAKTHROUGH MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting for Uncertainty in Income Taxes

The Organization is a not-for-profit organization exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been included in these financial statements.

There are no reserves held for uncertain tax positions at March 31, 2024. Tax years that are open under the statute of limitations remain subject to examination by the Internal Revenue Service.

Concentration of Credit Risk for Cash Held at Banks

The Organization maintains bank accounts in U.S. banks, which at times, may exceed federally insured limits. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant risk on bank deposit accounts. At March 31, 2024, cash held in banks and other financial institutions exceeded federally insured limits by \$1,728,584. The Organization has not experienced any losses in its deposit accounts.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated among the program and supporting services benefited. The expenses that are allocated are salaries, which are allocated on the basis of estimates of time and effort; Other expenses are allocated based on actual expenses incurred for each function.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (“Topic 326”). Topic 326 requires immediate recognition of estimated credit losses expected to occur over the remaining life of financial assets, which generally results in earlier recognition of allowances for credit losses. The Organization implemented Topic 326 as of April 1, 2023. The adoption of Topic 326 did not have a material impact on the Organization’s financial statements.

Subsequent Events

The Organization has evaluated subsequent events through January 14, 2025, which is the date the financial statements were available to be issued.

BREAKTHROUGH MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

NOTE 2 – GRANTS AND OTHER RECEIVABLES

As of March 31, 2024, grants receivables are as follows:

The Children’s Trust	\$	197,220
Florida Department of Education		161,922
Volunteer Florida		83,478
Other		30,500
	<u>\$</u>	<u>473,120</u>

Grants receivable at the beginning of the period were \$475,450.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are included in the accompanying consolidated statements of financial position as contributions receivable. Unconditional promises to give are recognized when received in accordance with U.S. GAAP. The rate used to discount contributions to present value at March 31, 2024 was approximately 2%.

Contributions receivable at March 31, 2024 consist of the following:

	Without Donor Restriction	With Donor Restriction	Total
Contributions receivable due in less than one year	\$ 687,056	\$ 217,995	\$ 905,051
Contributions receivable due in less than five years	7,546	393,880	401,426
Less: discount to net present value	-	(50,879)	(50,879)
	<u>7,546</u>	<u>343,001</u>	<u>350,547</u>
Total contributions receivable, net	<u>\$ 694,602</u>	<u>\$ 560,996</u>	<u>\$ 1,255,598</u>

Contributions receivable at the beginning of the period were \$979,421.

NOTE 4 – DEFERRED REVENUE

Deferred revenue consists of \$64,900 that were prepaid by grantors as of March 31, 2024. Deferred revenue at the beginning of the year consisted of \$64,000 and was recognized during the year ended March 31, 2024.

BREAKTHROUGH MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

NOTE 5 – NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction are held as follows:

Contributions receivable	\$ 570,944
Cash	102,672
	<u>\$ 673,616</u>

At March 31, 2024, net assets with donor restriction consist of the following:

Donor-imposed time restrictions	\$ 404,810
Donor-imposed purpose restriction- Lasting Happiness Project	166,134
Donor-imposed purpose restriction- Breakthrough U	77,672
Donor-imposed purpose restriction- STEM	25,000
	<u>\$ 673,616</u>

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of March 31, 2024 to fund expenses without limitations as follows:

Cash and cash equivalents	\$ 2,478,681
Grants receivable	473,120
Contributions receivable, current portion	905,051
	<u>3,856,852</u>
Less:	
Cash and cash equivalents, with donor restrictions	(102,672)
Contributions receivable, current portion, with donor restrictions	(217,995)
	<u>(320,667)</u>
Financial assets available to meet cash needs for operating expenses within one year:	<u>\$ 3,536,185</u>

BREAKTHROUGH MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

NOTE 7 – FEDERAL AND STATE FUNDING

The Organization is the recipient of federal and state funding under grant contracts with Volunteer Florida and the Florida Department of Education, respectively, which are included in grant and contract revenue on the accompanying statement of activities. During the year ended March 31, 2024, federal grant revenue totaled approximately \$782,358 and state grant revenue totaled approximately \$805,470. Amounts received under grant contracts with federal, state or local governments are subject to audit and adjustment by those agencies. Any expenditure or claims disallowed as a result of such audits would become a liability to the Organization. Management believes that the Organization has complied with all aspects of the grant and contract provisions and that an adjustment, if any, would be insignificant to the financial position of the Organization.

NOTE 8 – THE CHILDREN’S TRUST CONTRACTS

The Organization receives public and governmental support for its operation. The amount and timeliness in which the support from fund raising efforts and governmental agencies are collected is essential to meet the normal cash flow needs of the organization. During the year ended March 31, 2024, the Organization received approximately \$882,784 from The Children’s Trust. Revenue is recognized when earned in accordance with the terms of the contract.

NOTE 9 – RELATED PARTY TRANSACTIONS

The Organization maintains ongoing relationships with six site partners (Carrollton School of the Sacred Heart, Gulliver Preparatory, Miami Country Day School, Palmer Trinity School, Ransom Everglades School and the University of Miami), which provide administrative offices, program facilities and general support to the Organization. No rent expense is paid to the site partners. The donated spaces, services and supplies are recorded as in-kind contributions (See Note 10). Contributions are also received from site partners and are included as contribution revenue. During the year ended March 31, 2024, contributions from site partners totaled approximately \$334,000.

In August 2019, the Organization entered into an agreement with Breakthrough Collaborative (“BTC”) in order to assign and transfer to BTC the Organization’s rights, title and interest in technology that had been partially developed, referred to as the Breakthrough Starter Pack Platform (“BTSP”). In accordance with the agreement, BTC will make fee payments to the Organization on a quarterly basis through July 15, 2025. The quarterly payments are equal to one-third of each payment that BTC receives from an affiliate to install the BTSP. During the year ended March 31, 2024, the Organization did not receive any post-reimbursement fee payments related to this contract.

During the year ended March 31, 2024, the Organization received contributions from a board member totaling approximately \$557,000 and is included as contributions revenue in the statement of activities.

BREAKTHROUGH MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

NOTE 10 – IN-KIND DONATIONS AND SERVICES

The Organization’s contributions include donated usage of space, services and supplies. The Organization’s operations for the year ended March 31, 2024 include the following value of such donated goods and services:

Space	\$	1,855,034
Services		1,208,213
Supplies		444,800
	\$	<u>3,508,047</u>

Space

Donated space includes office, classroom, cafeteria and other facility space that is used by the Organization to run the academic enrichment programs during the summer and school year at the sites mentioned in Note 1. The amount is calculated using the number of students served multiplied by the fair value of the space used.

Services

The Organization receives significant in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations, supporting services, special events, and fund-raising campaigns. Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or if they require specialized skills that would need to be purchased if they were not donated. The Organization receives donated services from unpaid volunteers who assist in the running of the Organization’s activities and events. Additionally, the Organization received support from Miami Dade County Public School teachers who provide their time as instructional coaches for Breakthrough Miami summer programs.

Supplies

The Organization receives donated supplies such as backpacks, masks, toys, meals and laptops. Donated meals are valued at the rate per student that would have been paid at the program sites for meals if not donated. Other donated supplies are valued based on information available from vendors or websites.

SUPPLEMENTARY INFORMATION

BREAKTHROUGH MIAMI, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2024

<i>Federal or Grantor/Pass-through Program Title</i>	<i>Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Expenditure</i>
Corporation for National and Community Service			
<i>Passed-through Florida Commission on Community Service:</i>			
AmeriCorps State and National	94.006	N/A	<u>\$ 782,358</u>
Total Corporation for National and Community Service			<u>782,358</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 782,358</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

BREAKTHROUGH MIAMI, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED MARCH 31, 2024

<i>State Grantor/Pass-through Program Title</i>	<i>CSFA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Expenditure</i>
STATE FINANCIAL ASSISTANCE:			
Florida Department of Education			
School and Instructional Enhancement Programs	48.040	N/A	\$ 805,470
Total Florida Department of Education			<u>805,470</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 805,470</u>

See accompanying notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

BREAKTHROUGH MIAMI, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED MARCH 31, 2024

NOTE A - SIGNIFICANT ACCOUNTING POLICY AND BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance include the federal and state grant activities of Breakthrough Miami, Inc. (the "Organization") and is presented on the accrual basis. The information on these schedules is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General; and the requirements of Chapter 691-5, Rules of the Florida Department of Financial Services, Florida Administrative Code. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B - DE MINIMIS INDIRECT COST RATE

The Organization did not elect to use the 10% de minimis cost rate.



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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
Breakthrough Miami, Inc.
Miami, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Breakthrough Miami, Inc. (the “Organization”) (a nonprofit organization), which comprise the statement of financial position as of March 31, 2024, 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 January 14, 2025.

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) as a basis for designing 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 or significant deficiencies 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
January 14, 2025



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NATIONAL ASSOCIATION OF
CERTIFIED VALUATION ANALYSTS
COLLABORATIVE FAMILY
LAW INSTITUTE

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

To the Board of Directors of
Breakthrough Miami, Inc.
Miami, Florida

Report on Compliance for Each Major Federal Program and Major State Project

Opinion on Each Major Federal Program and Major State Project

We have audited the Organization's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement, and the requirements identified as subject to audit in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Organization's major federal programs and major state projects for the year ended March 31, 2024. The Organization's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 federal programs and major state projects for the year ended March 31, 2024.

Basis for Opinion on Each Major Federal Program and Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.650, Rules of the Florida Auditor General. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.650, Rules of the Florida Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Florida Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Florida Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Florida Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 federal program or 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 federal program or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance and Chapter 10.650, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
January 14, 2025

**BREAKTHROUGH MIAMI, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS PROGRAMS AND
 STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED MARCH 31, 2024**

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 deficiency (ies) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards and State Projects

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

Internal control over state projects:

- Material weakness (es) identified? yes no
- Significant deficiency (ies) 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 2 CFR 200.516(a) or Chapter 10.650, *Rules of the Florida Auditor General*? yes no

Identification of Major Programs: yes no

Federal Program/State Project or Cluster	ALN/CSFA Number	Expenditures
Federal Programs:		
<u>Corporation for National and Community Service</u> AmeriCorps State and National	94.006	\$ 782,358
State Projects:		
<u>Florida Department of Education</u> School and Instructional Enhancement Programs	48.040	\$ 805,470

**BREAKTHROUGH MIAMI, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS
PROGRAMS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED MARCH 31, 2024**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

Dollar threshold used to distinguished between type A
and type B Federal Awards: \$ 750,000

Auditee qualified as a low risk auditee? _____ yes X no

Dollar threshold used to distinguish between type A
And type B programs for State Financial Assistance: \$ 300,000

SECTION II – FINANCIAL STATEMENT FINDINGS

The audit disclosed no matters that are reportable for the current year.

**SECTION III – AWARD FINDINGS AND QUESTIONED COSTS – FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS**

The audit disclosed no matters that are reportable for the current year.

SECTION IV – OTHER ISSUES

1. No management letter was issued for the year ended March 31, 2024.
2. No Summary Schedule of Prior Audit Findings is required because the year ended March 31, 2024 was the first year the Organization was required to undergo an audit in accordance with the Uniform Guidance and Chapter 10.650 Rules of the Auditor General.
3. No corrective action plan is required because there were no findings required to be reported under the Uniform Guidance or the Department of Financial Services' State Project Compliance Supplement.