

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

**FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION AND  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE TOTALS FOR THE  
YEAR ENDED JUNE 30, 2011)**

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# VERDEJA | DE ARMAS

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

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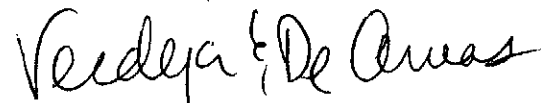
Board of Directors  
Amigos Together for Kids, Inc.  
Miami, Florida

We have audited the accompanying statement of financial position of Amigos Together for Kids, Inc. (the "Organization"), a nonprofit organization, as of June 30, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. Information for the year ended June 30, 2011 is presented for comparative purposes only and was extracted from the financial statements presented for that year, which were audited by us, and we expressed an unqualified opinion on them in our report dated December 12, 2011.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amigos Together for Kids, Inc. as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2012, 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* and should be considered in assessing the results of our audit.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 17, 2012

**AMIGOS TOGETHER FOR KIDS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2012 (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2011)**

	<u>2012</u>	<u>2011 Comparative Totals</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents, including temporarily restricted of \$13,157	\$ 224,730	\$ 280,667
Restricted cash	11,094	12,500
Accounts receivable, net	132,799	147,499
Other current assets	<u>3,867</u>	<u>3,707</u>
<b>TOTAL CURRENT ASSETS</b>	<b>372,490</b>	<b>444,373</b>
<b>PROPERTY AND EQUIPMENT, fully depreciated</b>	<u>6,970</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 379,460</u></b>	<b><u>\$ 444,373</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 38,723	\$ 45,511
Deferred revenues	<u>61,094</u>	<u>62,500</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>99,817</u></b>	<b><u>108,011</u></b>
<b>NET ASSETS</b>		
Unrestricted	266,486	298,565
Temporarily restricted	<u>13,157</u>	<u>37,797</u>
<b>TOTAL NET ASSETS</b>	<b><u>279,643</u></b>	<b><u>336,362</u></b>
<b>COMMITMENTS</b>		
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 379,460</u></b>	<b><u>\$ 444,373</u></b>

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

**AMIGOS TOGETHER FOR KIDS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011)**

	2012			2011 Comparative Totals
	Unrestricted	Temporarily Restricted	Total	
<b>SUPPORT AND REVENUE</b>				
Domino tournament, including in-kind of \$449,382	\$ 739,520	\$ -	\$ 739,520	\$ 797,697
Grants and contributions	373,946	45,000	418,946	527,338
Special events and other, including in-kind of \$569,699	744,962	-	744,962	528,985
Net assets released from restriction	61,878	(61,878)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>1,920,306</b>	<b>(16,878)</b>	<b>1,903,428</b>	<b>1,854,020</b>
<b>EXPENSES AND LOSSES</b>				
Expenses:				
Program services	1,237,827	-	1,237,827	1,213,472
Supporting activities	722,320	-	722,320	658,547
<b>TOTAL EXPENSES AND LOSSES</b>	<b>1,960,147</b>	<b>-</b>	<b>1,960,147</b>	<b>1,872,019</b>
<b>CHANGE IN NET ASSETS</b>	<b>(39,841)</b>	<b>(16,878)</b>	<b>(56,719)</b>	<b>(17,999)</b>
<b>NET ASSETS - Beginning of year</b>	<b>306,327</b>	<b>30,035</b>	<b>336,362</b>	<b>354,361</b>
<b>NET ASSETS - End of year</b>	<b>\$ 266,486</b>	<b>\$ 13,157</b>	<b>\$ 279,643</b>	<b>\$ 336,362</b>

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

**AMIGOS TOGETHER FOR KIDS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011)**

	<u>2012</u>	<u>2011 Comparative Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	<u>\$ (56,719)</u>	<u>\$ (17,999)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	118	-
Decrease in accounts receivable	14,700	40,512
(Increase) Decrease in other current assets	(160)	1,635
Decrease in accounts payable and accrued expenses	(6,788)	(2,706)
(Decrease) Increase in deferred revenue	<u>(1,406)</u>	<u>34,463</u>
Total Adjustments	<u>6,464</u>	<u>73,904</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(50,255)</u>	<u>55,905</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(7,088)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(7,088)</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(57,343)	55,905
CASH AND CASH EQUIVALENTS - Beginning of year	<u>293,167</u>	<u>237,262</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 235,824</u>	<u>\$ 293,167</u>
	\$ 224,730	\$ 280,667
Cash and cash equivalents		
Restricted cash	<u>11,094</u>	<u>12,500</u>
	<u>\$ 235,824</u>	<u>\$ 293,167</u>

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

**AMIGOS TOGETHER FOR KIDS, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2012 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011)**

	Program Services	Supporting Activities			2012 Total	2011 Comparative Totals
		General & Administrative	Fund Raising	Sub-Total		
EXPENSES	\$ 358,783	\$ 50,077	\$ 75,111	\$ 125,188	\$ 483,971	\$ 506,429
Salaries, taxes and benefits	200,163	-	371,731	371,731	571,894	658,689
Domino tournament expenses, including in-kind of \$449,382	62,144	5,981	15,948	21,929	84,073	81,336
Professional fees, including in-kind of \$28,871	71,132	250	-	250	71,382	85,509
Other expenses	313,730	-	-	-	313,730	302,684
Toy drive expenses, including in-kind of \$253,902	190,914	-	145,478	145,478	336,392	147,231
Other events, including in-kind of \$281,800	15,577	34,379	6,889	41,268	56,845	50,760
Office expenses, including in-kind of \$5,126	14,779	4,088	6,652	10,740	25,519	24,109
Rent	5,621	1,050	2,330	3,380	9,001	8,989
Telephone	3,534	589	1,767	2,356	5,890	6,033
Insurance	1,450	-	-	-	1,450	250
Contributions						
<b>TOTAL EXPENSES</b>	<b>\$ 1,237,827</b>	<b>\$ 96,414</b>	<b>\$ 625,906</b>	<b>\$ 722,320</b>	<b>\$ 1,960,147</b>	<b>\$ 1,872,019</b>

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

**AMIGOS TOGETHER FOR KIDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS**

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

**Basis of Presentation**

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 Accounting**

These financial statements are presented in accordance with FASB ASC. Under this interpretation, the Organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

**Unrestricted**

Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.

**Temporarily Restricted**

Net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations. As of June 30, 2012, there was \$13,157 in temporarily restricted net assets.

**Permanently Restricted**

Net assets whose use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. There are no permanently restricted net assets as of June 30, 2012.

**Cash and Cash Equivalents**

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

**Property and Equipment**

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

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

Computers	5 years
Furniture	7 years
Office Equipment	5 years



**AMIGOS TOGETHER FOR KIDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

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

**Revenue Recognition**

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

**In-Kind Donations**

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

**Income Taxes**

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

On July 1, 2009, the Organization adopted the provisions of an accounting standard, which clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements in accordance with existing accounting guidance on income taxes, and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Interest and penalties on tax liabilities, if any, would be recorded as an expense in the statements of activities. No liability for unrecognized tax benefits was recorded as a result of implementing this standard.

**Use of Estimates in Preparation of Financial Statements**

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

**Concentration of Credit Risk**

At various times the Organization may maintain cash deposits with financial institutions in excess of the \$250,000 limit insured by the Federal Deposit Insurance Corporation. Cash and cash equivalents did not exceed federally insured limits for the year ended June 30, 2012.

**Subsequent Events**

The Organization has evaluated subsequent events through December 17, 2012, which is the date the financial statements were available to be issued.

**AMIGOS TOGETHER FOR KIDS, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 2 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are composed of amounts received by the Organization whose use was limited either the passage of time or stipulations set forth by the donor. As of June 30, 2012, temporarily restricted net assets consisted of the following:

After School Program -	
Jose Marti Park	\$ 13,157
	<u>\$ 13,157</u>

Funds are held as follows:

Cash	\$ 13,157
	<u>\$ 13,157</u>

**NOTE 3 – COMMITMENTS AND CONTINGENCIES**

The Organization entered into a lease agreement with the City of Miami to lease the land and facilities known as the Jose Marti Park, located at 353 SW 4<sup>th</sup> Street, to provide after school programs, recreational programs, cultural activities and facilities to benefit people of various ages living in the area. The term of the lease is for three years with two renewal terms of three years each, commencing on May 2005. The Organization must maintain the leased property and shall not make any structural alterations to the new building without the written consent of the city. The amount payable on the lease is \$1 per month.

The Organization entered into a lease agreement maturing on December 20, 2017 for office space totaling approximately \$3,057 per month. Total rent expense related to the office and storage space for the twelve months ended June 30, 2012 was \$25,519.

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

<u>Year ending June 30,</u>	
2013	\$35,595
2014	\$35,595
2015	\$36,485
2016	\$38,307
2017	\$19,620

**NOTE 4 – IN KIND DONATIONS**

In-kind donations consist of donated services and goods for the domino tournament in the amount of \$449,382, donated services and goods for the toy drive in the amount of \$253,902 and professional fees for all other fundraising events, all program services, and general and administrative matters in the amount of \$315,797.

**NOTE 5 – FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**AMIGOS TOGETHER FOR KIDS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

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**NOTE 6 – JOINT ACTIVITIES**

In June 2012, the Organization held a domino tournament. The Organization used this event to bring awareness to the public on child abuse, neglect and abandonment, as well as to raise funds for its mission. The costs of the domino tournament were allocated between program services and fundraising in the amount of \$200,163 and \$371,731, respectively.

**NOTE 7- ECONOMIC DEPENDENCE**

The Organization provides its program services with funds received from its annual domino tournament. A significant reduction in the level of this funding, if this were to occur, may have an effect on the Organization's programs and activities. Revenues recognized from this tournament represent approximately 39% of the Organization's support and revenue for the year ended June 30, 2012.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of Amigos Together for Kids, Inc. (the "Organization"), a nonprofit organization, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 17, 2012. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Organization's internal control over financial reporting 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 the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

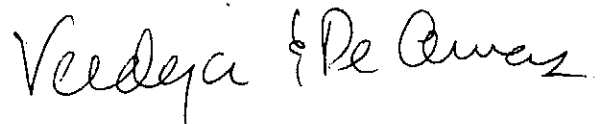
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Directors of the Organization, audit committee, management, others within the entity, federal and state awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 17, 2012