

**RICHMOND-PERRINE OPTIMIST CLUB, INC.  
OF  
MIAMI, FLORIDA  
INDEPENDENT AUDITORS'  
REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
*For the year ended June 30, 2004***

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MANAGEMENT AND  
CONSULTING

**NZERIBE & COMPANY, P.A.**

*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

To The Board of Directors of the  
Richmond-Perrine Optimist Club, Inc.  
Of Miami, Florida

We have audited the accompanying statement of financial position of The Richmond-Perrine Optimist Club, Inc. of Miami, Florida, (Organization) as of June 30, 2004, 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.

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, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 the Richmond-Perrine Optimist Club, Inc. of Miami, Florida as of June 30, 2004 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 October 26, 2004, on our consideration of Richmond-Perrine Optimist Club, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of expenditure of financial awards for the year ended June 30, 2004 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audit of State, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The schedules of state financial assistance, local financial assistance, construction financial assistance are also presented for purposes of additional analysis and are not a required part of the basic financial statements. All supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly presented in all material respect, in relation to the basic financial statement taken as a whole.

Miami, Florida  
October 26, 2004

*Nzeribe & Company, P.A.*  
Nzeribe & Company, P.A.

**RICHMOND-PERRINE OPTIMIST**  
**CLUB, INC. OF MIAMI, FLORIDA**  
**STATEMENT OF FINANCIAL POSITION**  
**For the year ended June 30, 2004**  
**With comparative totals for year 2003**

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	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
Current Assets:		
Cash	173,418	53,217
Due from grantors	815,740	416,242
Other assets	<u>3,310</u>	<u>198</u>
	992,468	469,657
Non-current Assets:		
Construction in progress	2,652,271	2,593,675
Fixed assets (net)	2,610	3,897
Leased equipments (net)	<u>48,121</u>	<u>19,682</u>
	2,703,002	2,617,254
<b>TOTAL ASSETS</b>	<b><u>\$3,695,470</u></b>	<b><u>\$3,086,911</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	26,809	21,318
Accrued payroll	27,602	15,500
Payroll taxes payable	4,554	6,597
Bank Loan Payable	44,000	0
Lease liability-current	12,292	11,274
Due to grantor	<u>323</u>	<u>545</u>
	115,580	55,234
Non-current Liabilities:		
Lease liabilities -noncurrent	30,335	11,412
<b>TOTAL LIABILITIES</b>	<b><u>145,915</u></b>	<b><u>66,646</u></b>
<b>NET ASSEST</b>		
Unrestricted	2,899,443	2,768,139
Temporarily Restricted	<u>650,112</u>	<u>252,126</u>
<b>TOTAL NET ASSETS</b>	<b><u>3,549,555</u></b>	<b><u>3,020,265</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$3,695,470</u></b>	<b><u>\$3,086,911</u></b>

*See accompanying notes to financial statements*

**RICHMOND-PERRINE OPTIMIST  
CLUB, INC. OF MIAMI, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2004**  
 With comparative totals for year 2003

**UNRESTRICTED NET ASSETS**

	<u>2004</u>	<u>2003</u>
<b>Support:</b>		
Miami-Dade County	\$493,133	\$366,428
South Florida Employment and Training Consortium	120,449	387,868
State of Florida	77,667	89,540
Dade County School Board	283,606	316,512
The Children Trust	7,739	0
United Way of Dade County	120,121	125,785
TTI of America	171,078	0
Contributions	<u>10,905</u>	<u>15,472</u>
Total Unrestricted Revenue	1,284,698	1,301,605
Net Asset Release from restriction	102,650	1,232,051
Total Support	<u>1,387,348</u>	<u>2,533,656</u>
<b>EXPENSES:</b>		
<b>Program Services:</b>		
Training	423,867	351,102
Education	284,034	331,614
Youth Service (including crime/drug prevention)	<u>430,286</u>	<u>533,538</u>
	1,138,187	1,216,254
<b>Supporting Services:</b>		
General & Administrative	117,857	117,656
<b>Total Expenses</b>	<u>1,256,044</u>	<u>1,333,910</u>
<b>Increase in Unrestricted Net Assets</b>	131,304	1,199,746

**TEMPORARY RESTRICTED NET ASSETS:**

Interest on construction fund	0	1,610
For Program Activities	500,636	253,672
Receipts for construction activities	0	951,090
Net Asset release from restriction	(102,650)	<u>(1,232,051)</u>
<b>Increase in Temporarily Restricted Net Assets</b>	397,986	(25,679)
<b>Increase in Net assets</b>	529,290	1,174,067
<b>Net assets at beginning of year</b>	3,020,265	1,846,198
<b>Net assets at end of year</b>	<u>\$3,549,555</u>	<u>\$3,020,265</u>

See accompanying notes to financial statements

**RICHMOND-PERRINE OPTIMIST CLUB, INC. OF MIAMI, FLORIDA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the year ended June 30, 2004**  
with comparative totals for 2003

	<u>PROGRAM SERVICES</u>			<u>SUPPORT SERVICES</u>			
	<u>TRAINING</u>	<u>EDUCATION</u>	<u>YOUTH SERVICES</u>	<u>TOTAL</u>	<u>GENERAL ADMIN</u>	<u>2004 TOTAL</u>	<u>2003 TOTAL</u>
Salaries	288,596	228,439	319,788	836,823	82,763	919,586	902,427
Fringe benefits	<u>44,841</u>	<u>25,563</u>	<u>48,120</u>	<u>118,514</u>	<u>11,744</u>	<u>130,258</u>	<u>183,128</u>
Total	333,437	253,992	367,908	955,337	94,507	1,049,844	1,085,555
Participants' wages	53,877		12,476	66,353		66,353	81,613
stipends & fringes	370	175	985	1,530		1,530	2,927
Transportation	1,881	591	1,407	3,879	180	4,059	4,623
Equipment rentals	603		2,492	3,095	6,256	9,351	6,760
Field trip admissions	2,332	799	842	3,973	1,582	5,555	4,556
Operating supplies	9,950	1,000	5,000	15,950	200	16,150	22,572
Professional fees	1,104	1,269	4,729	7,102	784	7,886	11,486
Telephone					2,519	2,519	
Conference/Seminars					978	5,492	7,889
Office supplies	2,125	102	2,287	4,514	3,480	38,672	41,412
Office/Space rental	9,828	11,916	13,448	35,192	105	4,341	5,859
Printing/Publications	1,704		2,532	4,236	634	7,047	21,959
Maintenance & repairs	1,539	2,070	2,804	6,413	1,112	12,347	12,088
Utilities		6,641	4,594	11,235	149	1,654	1,575
Insurance		1,295	210	1,505	1,209	7,819	6,093
Special services	388	2,351	3,871	6,610	2,720	2,720	1,546
Interest					160	2,020	2,173
Miscellaneous	810	695	355	1,860			
Total before depreciation	<u>419,948</u>	<u>282,896</u>	<u>425,940</u>	<u>1,128,784</u>	<u>116,575</u>	<u>1,245,359</u>	<u>1,320,686</u>
Depreciation	3,919	1,138	4,346	9,403	1,282	10,685	13,224
Total Expenses	<u>423,867</u>	<u>284,034</u>	<u>430,286</u>	<u>1,138,187</u>	<u>117,857</u>	<u>1,256,044</u>	<u>1,333,910</u>

**RICHMOND-PERRINE OPTIMIST**  
**CLUB, INC. OF MIAMI, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**For The Year Ended June 30, 2004**  
 With comparative totals for year 2003

CASH FLOWS FROM OPERATING ACTIVITIES

	<u>2004</u>	<u>2003</u>
Changes in net assets	529,290	1,174,067
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,685	13,224
(Increase) Decrease in grants receivable	(399,489)	(335,048)
Increase (Decrease) in other assets	(3,112)	2,186
Increase (Decrease) in accounts payable	5,491	(6,482)
Increase (Decrease) in accrued payroll	12,102	(4,024)
Increase (Decrease) in payroll taxes payable	(2,043)	5,103
Increase (Decrease) in lease payable	1,018	(11,272)
(Decrease) Increase in Due to Grantors	(222)	57
Decrease in construction retainage	<u>0</u>	<u>(105,500)</u>
Total Adjustments	(375,570)	(780,691)
<b>Net Cash provided by operating activities</b>	<u>153,720</u>	<u>393,376</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Capital lease equipment	(18,923)	0
Construction in progress	<u>(58,596)</u>	<u>(1,156,766)</u>
<b>Net Cash used in investing activities</b>	(77,519)	(1,156,766)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loan	<u>44,000</u>	<u>0</u>
<b>Net cash provided by financing activities</b>	44,000	0
<b>Net Increase (Decrease) in cash</b>	120,201	(763,390)
<b>Cash balance beginning of year</b>	53,217	816,607
<b>Cash balance end of year</b>	<u>\$173,418</u>	<u>\$53,217</u>

*See accompanying notes to financial statements*

**RICHMOND-PERRINE OPTIMIST  
CLUB, INC. OF MIAMI, FLORIDA**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities – Richmond-Perrine Optimist Club, Inc. of Miami, Florida (the Organization), a corporation not-for-profit, was incorporated on January 23, 1986 by the Optimist Club of Richmond-Perrine, Florida, Inc. (The Optimist Club). The Organization sole purpose is to further certain charitable and educational purposes of the Optimist Club including crime and drug prevention; counseling; employability and educational trainings. The Board of Directors of the Optimist Club also serves as the Board of Directors of the Organization. The current list of Board of Directors are: Daisy Gardner Lester-President; Charles Bethel-Vice President; Ronald E. Tookes-Secretary; Karen Harris-Treasurer; Dr. George Battle-Board Member; Dr. Evans Branch-Board Member; Linette Coleman-Board Member; Col. Eddie Alford-Board Member; Calvin Banks-Board Member; Joyce Brumby-Board Member; Omar Hassan-Board Member; Dr. Donald Hollis and Versa Lee Sumler-Board member. The main office of the Organization is located at 9955 West Indigo Street, Miami, Florida. The significant accounting policies followed are described to enhance the usefulness of the financial statements to the reader.

Grants – Grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is 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.

Grants and donors restricted contributions are reported as unrestricted support if the grant objectives or donor restrictions are met in the same reporting period.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities less than 90 days. At year-end and throughout the year, the Organization's cash balances were deposited in two banks. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

Accrual Basis

The financial statements of Foundation have been prepared on the accrual basis of accounting.

Income Taxes

Richmond-Perrine Optimist Club Inc. of Miami, Florida is exempt from Federal Income taxes under Section 501( c ) (3) of the Internal Revenue Code.

Donated Services

No amount has been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services.

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.



### Estimates

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.

### Fixed Assets

Fixed Assets are recorded at cost, or at estimated market value at the date of the gift, if donated. The Organization follows the practice of capitalizing all expenditures of and over \$750 for equipment with an estimated useful life of three or more years. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

## **2. SUPPORT – UNRESTRICTED**

The funding for the Organization's programs are provided by the following sources:

### **Training Programs**

#### Work Experience (W/E)

#### Adult Job Training (AJT)

Funded by Miami-Dade County -Office of Community and Economic Development

#### Stay In School (SIS)

Funded by the South Florida Employment & Training Consortium.

#### Summer Youth Employment (SYETP)

Funded by Miami-Dade County Dept. of Human Services

#### Summer Camp Reading (SCR)

Funded by The Children Trust

#### Workforce/Welfare Transition Program (WWT)

Funded through TTI America, Inc

### **Youth Services (Crimes/Drugs Prevention & Youth development) Programs**

#### Modello South Dade Neighborhood Empowerment Program (MSDNEP)

Funded by Miami-Dade County, Department of Human Services.

#### Community Suspension Program (CSP)

#### Crime Prevention Program (PCPP/GYDP)

Funded by Miami-Dade County Office of Community and Economic Development (OCED)

#### Naranja Youth Enterprise South (NYES)

Funded by United Way of Miami-Dade County

Partnership Program (Promoting Safe & Stable Family.)

Funded by State of Florida - Department of Children and Families.

**Educational Programs**Richmond Perrine Optimist Academy (RPOA)

Richmond Perrine Optimist Club, Inc operates Richmond -Perrine Optimist Academy, a Miami-Dade County Public School Board Outreach Program. The school is currently located at 9955 W. Indigo Street, Miami, Florida, in the Perrine area. The center director is Mr. Vincent Merrell who sees the day to day running of the school. The Board of Directors of the Organization is also the Board of Directors of the school. The Board of Directors is listed in paragraph 1 of the notes. The Organization educational program is funded by Miami-Dade County School Board (DCSB).

**3. FIXED ASSETS**

Furniture, fixtures and equipment at June 30, 2004 and 2003 are summarized as follows:

	<u>2004</u>	<u>2003</u>
Furniture & Equipment	\$19,055	\$71,857
Leased Equipments	54,721	54,721
Accumulated Depreciation	<u>(23,045)</u>	<u>(102,999)</u>
	<u>\$50,731</u>	<u>\$23,579</u>

During the year, management wrote off \$52,802 cost of old equipment and furniture that were no longer active and operational. In addition, management replaced three copier machines leased and classified as capital lease equipments.

**4. CONSTRUCTION IN PROGRESS**

The Management expended \$2,652,271 towards the building of Youth Activity Center. The building is located on 18055 Homestead Avenue in Perrine, Florida. The center is near completion and the Organization plans to move its office and the school to the new center when completed.

**5. LOAN PAYABLE**

On March 1, 2003, Richmond Perrine Optimist Club, Inc. had a \$50,000 line of credit with a bank to be drawn upon as needed through March 25, 2005, with an interest rate of 2% above prime. The loan is secured by corporate asset. As of June 30, 2004, \$44,000 of the line of credit had been drawn down and outstanding.

**6. RESTRICTION ON NET ASSETS**

Temporarily restricted net assets are available for the following purpose or periods:

Periods after June 30, 2004	\$358,637
Youth Activity Center construction	<u>\$291,475</u>
	<u>\$650,112</u>

## **7. MATCHING REQUIREMENT**

The local match is required by the State of Florida Department of Children and Families and must be properly matched to the Federal Funds expended by the end of the grant. The local match requirement for grant KJ811 for the period ended June 30, 2004 was met. Also match requirement for Miami-Dade County-- Office of Safe Neighborhood Parks construction grant was met.

## **8. COMMITMENTS AND CONTINGENCIES**

### **Lease**

The Organization has a one-year lease on the main office facility that expires on December 31, 2004. The main office rent expense for fiscal year ended June 30, 2004 was \$39,000. The Organization also has leases on various office spaces in various locations for the purpose of providing family preservation and support services and other service programs close to the communities.

The Organization is leasing some computers and copier equipments. These leases are classified as a capital lease obligations and the assets are included in the leased assets in the financial statements. All leases expire in 2009. The following is a schedule by years of future minimum lease payments under capital lease as of June 30, 2004:

Year ending June 30:

2005	12,292
2006	11,538
2007	9,180
2008	6,923
2009	<u>2,694</u>
Total minimum lease payment	<u>42,627</u>

### **State and Federal Grants**

The costs and unexpended funds reflected in the accompanying financial statements relating to government funding are subject to audit by the respective grantors. The possible disallowance by the funding source of any time charged to the program or request for return of any unexpended funds cannot be determined at this time. No provision, for any liability that may result, has been made in the financial statements.

## **SUPPLEMENTARY INFORMATION**

# NZERIBE & COMPANY, P.A.

*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
Richmond-Perrine Optimist Club, Inc.  
Miami, Florida

We have audited the financial statements of Richmond-Perrine Optimist Club, Inc. (a nonprofit organization) as of and for the year ended June 30, 2004, and have issued our report thereon dated October 26, 2004. 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Richmond-Perrine Optimist Club, Inc. taken as a whole. The accompanying Schedules of Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as requires by Chapter 10.650, Rules of the Auditor General of the State of Florida, and is not a required part of the basic financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Miami, Florida  
October 26, 2004

*Nzeribe & Company, PA*  
Nzeribe & Company, PA

**RICHMOND-PERRINE OPTIMIST  
CLUB, INC. OF MIAMI, FLORIDA**  
**Supplemental Schedule of Financial Awards**  
**For The Year Ended June 30, 2004**

	<u>CFDA No. Grant No.</u>	<u>From</u>	<u>To</u>	<u>Award/ Contract Amount</u>	<u>Expenditure</u>
South Florida Employment And Training Consortium	17.246				
Youth Service (SIS)	WIA-YS-SIS PY'03-09-05	4/1/03	6/30/04	\$ 270,293	\$ 120,449
Miami-Dade County Office Community & Dev. Block Grant (OCED)	14.218	1/1/03 1/1/04	12/31/03 12/31/04	370,000 365,000	157,800 170,469
State of Florida Department of Children & Families	93-556 KJ811*	7/1/03	6/30/04	100,614	77,667
Miami-Dade County Department of Human Services	N/A	7/1/03 4/1/04	6/30/04 3/31/05	100,000 133,700	98,010 66,854
Miami-Dade County Public School	N/A	7/1/03	6/30/04	550,438	283,606
United Way of Miami-Dade County	N/A	7/1/03	6/30/04	125,785	120,121
TTI America, Inc	N/A	7/1/03	6/30/04	175,435	171,078
The Children Trust	N/A	5/1/04	9/30/04	105,000	7,739
<b>TOTAL FINANCIAL AWARD</b>				<b><u>\$2,296,265</u></b>	<b><u>\$1,273,793</u></b>

**\*State Grant and Aid Appropriations**

**RICHMOND-PERRINE OPTIMIST CLUB, INC. OF MIAMI, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2004**

<u>Federal Grantor/Pass-through Grantor. Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
United States Department of Labor. Passed through the State of Florida. – Workforce Investment Act	17.246	----	270,293	120,449
Community Development Block	14.218	----	<u>735,000</u>	<u>328,269</u>
Total Federal Award			<u>\$ 1,005,293</u>	<u>\$ 448,718</u>

**RICHMOND-PERRINE OPTIMIST CLUB, INC. OF MIAMI, FLORIDA**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
**For The Year Ended June 30, 2004**

<u>State Agency and Program Title</u>	<u>CFSA</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Transfer to Subrecipient</u>
Department of Children And Families – Abuse Counseling & Family Preservation Program		*KJ811	\$ 77,667	0
Total Financial assistance			<u>\$ 77,667</u>	<u>0</u>

\* Denotes a contract which contains state grants and aids appropriations and requires local match



**RICHMOND-PERRINE OPTIMIST CLUB, INC. OF MIAMI, FLORIDA**  
**SCHEDULE OF LOCAL FINANCIAL ASSISTANCE**  
**For the Year Ended June 30, 2004**

<u>Grantor</u>	<u>Program Title</u>	<u>Contract Number</u>	<u>Receipts</u>
Miami-Dade County, Florida Department of Human Services	Crime Prevention	N/A	\$164,864
Miami-Dade County, Florida Dade County Public School	Education	N/A	283,606
United Way Of Miami-Dade County	Prevention Counseling	N/A	120,121
TTI America, Inc	Training	N/A	171,078
The Children Trust	Youth Services	N/A	7,739
			<u>\$747,408</u>

**RICHMOND-PERRINE OPTIMIST CLUB, INC. OF MIAMI, FLORIDA**  
**SCHEDULE OF CONSTRUCTION GRANT ASSISTANCE**  
**For the Year Ended June 30, 2004**

<u>Providers</u>	<u>Grant #</u>	<u>Award</u>	<u>Years To Date Expended</u>
State of Florida- Dept of Comm. Affairs	95E0-3M-11-23- 08-069	990,000	990,000
State of Florida- Dept of Children & Family (former Dept of Health & Rehab. Services)	KEC48	150,000	150,000
State of Florida- Dept of Comm. Affairs	96EM-2U-11-23 0-143	104,764	104,764
We Will Rebuild Foundation	n/a	500,000	500,000
Miami-Dade County- Office of safe Neighborhood Parks	C 98-15	866,158 108,094	866,158 43,349
Total		<u>2,719,016</u>	<u>2,654,271</u>

**RICHMOND-PERRINE OPTIMIST CLUB, INC.****SCHEDULE OF EXPENSES****For the Years Ended June 30, 2004****With comparative totals for the year 2003**

	<u>2004</u>	<u>2003</u>
<b>EXPENSES</b>		
Salaries	919,586	902,427
Fringe benefits	130,258	183,128
Stipends & fringes	66,353	81,613
Transportation	1,530	2,927
Equipment Rental	4,059	4,623
Field trip admission	9,351	6,760
Operating supplies	5,555	4,556
Professional fees	16,150	22,572
Telephone	7,886	11,486
Conference/Seminars	2,519	0
Office supplies	5,492	7,889
Office/Space rental	38,672	41,412
Printing/Publications	4,341	5,859
Maintenance & Repair	7,047	21,959
Utilities	12,347	12,088
Insurance	1,654	1,575
Special services	7,819	6,093
Interest	2,720	1,546
Depreciation	10,685	13,224
Miscellaneous	2,020	2,173
Total Expenses	<u>\$ 1,256,044</u>	<u>\$ 1,333,910</u>

**BASIS OF ALL SCHEDULES PRESENTATION**

The accompanying Schedule of Expenditures of Federal/State/Local Financial Assistance includes the State assistance activity of Richmond-Perrine Optimist Club, Inc. and presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Chapter 10.650, rules of the Auditor General of the State of Florida. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the basic financial statements.

**REPORTS REQUIRED UNDER  
GOVERNMENT AUDITING STANDARDS AND  
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

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

To The Board of Directors  
Richmond-Perrine Optimist Club, Inc.  
Miami, Florida.

We have audited the financial statements of Richmond-Perrine Optimist Club, Inc. of Miami, Florida (a non-profit organization) as of and for the year ended June 30, 2004, and have issued our report thereon dated October 26, 2004. 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.

### Compliance

As part of obtaining reasonable assurance about whether Richmond-Perrine Optimist Club, Inc. of Miami, Florida financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under Government Auditing Standards. We also noted certain immaterial instances of noncompliance, which we have reported to management of Richmond-Perrine Optimist Club, Inc. of Miami, Florida in accompanying management letter dated October 26, 2004.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered Richmond-Perrine Optimist Club, Inc. of Miami, Florida internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Miami, Florida  
October 26, 2004

*Nzeribe & Company, PA*  
Nzeribe & Company, PA

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER  
COMPLIANCE APPLICABLE TO EACH MAJOR STATE FINANCIAL ASSISTANCE PROJECT**

To the Board of Directors  
Richmond-Perrine Optimist Club, Inc.  
Miami, Florida

Compliance

We have audited the compliance of Richmond-Perrine Optimist Club, Inc. with the types of compliance requirements described in the Executive Office of the Governor's State Projects Compliance Supplement that are applicable to each of its major state financial assistance project for the year ended June 30, 2004. Richmond-Perrine Optimist Club, Inc.'s major state financial assistance projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major state financial assistance projects is the responsibility of Richmond-Perrine Optimist Club, Inc.'s management. Our responsibility is to express an opinion on Richmond-Perrine Optimist Club, Inc.'s compliance based on our audit.

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; and Chapter 10.650, Rules of the Auditor General of the State of Florida. Those standards and Chapter 10.650, Rules of the Auditor General of the State of Florida, 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 financial assistance project occurred. An audit includes examining, on a test basis, evidence about Richmond-Perrine Optimist Club, Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Richmond-Perrine Optimist Club, Inc.'s compliance with those requirements.

In our opinion, Richmond-Perrine Optimist Club, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major state financial assistance projects for the year ended June 30, 2004. However, we noted immaterial instances of noncompliance that we have reported to management of Richmond-Perrine Optimist Club, Inc. in the accompanying Management Letter dated October 26, 2004.

Internal Control Over Compliance

The management of Richmond-Perrine Optimist Club, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state financial assistance projects. In planning and performing our audit, we considered Richmond-Perrine Optimist Club, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a state financial assistance project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major state financial assistance project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management in the accompanying management letter dated October 26, 2004

This report is intended solely for the information and use of the Board of Directors and management of Richmond-Perrine Optimist Club, Inc., and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida  
October 26, 2004

*Nzeribe & Company, PA*  
Nzeribe & Company, PA

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## INDEPENDENT AUDTIORS' REPORT ON EXAMINATION OF MANAGEMENT'S ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS

To The Board of Directors  
Richmond-Perrine Optimist  
Club, Inc. of Miami, Florida

We have examined management's assertion about Richmond-Perrine Optimist Club, Inc. of Miami, Florida's compliance with the allowable cost, matching and eligibility requirements established in the grant agreements applicable to the state grants and aids appropriations identified on the schedule of state financial assistance for the year ended June 30, 2004, included in the accompanying financial statements. Management is responsible for Richmond-Perrine Optimist Club, Inc. of Miami, Florida's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about Richmond-Perrine Optimist Club, Inc. of Miami, Florida's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Richmond-Perrine Optimist Club, Inc of Miami, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Richmond-Perrine Optimist Club, Inc. of Miami, Florida's compliance with specified requirements.

In our opinion, management's assertion that Richmond-Perrine Optimist Club, Inc. of Miami, Florida has complied with the aforementioned requirements during the year ended June 30, 2004 is fairly stated, in all material respects.

This report is intended for the information of the Board of Directors, management, state, awarding agencies and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.

Miami, Florida  
October 26, 2004

*Nzeribe & Company, P.A.*  
Nzeribe & Company, P.A.



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## MANAGEMENT LETTER

To The Board of Directors  
Richmond-Perrine Optimist Club, Inc  
Miami, Florida.

We have audited the financial statements of Richmond-Perrine Optimist Club, Inc. of Miami, Florida as of and for the year ended June 30, 2004, and have issued our reported thereon dated October 26, 2004.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to Each State Financial Assistance Project, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated October 26, 2004, should be considered in conjunction with this Management Letter. Additionally, our audit was conducted in accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida.

The Rules of Auditor General of the State of Florida Section 10.654(1)(d) require disclosure in the Management Letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditors. Our audit disclosed the following matters to be disclosed in the following pages.

We wish to thank the management staff for their support and assistance during our audit.

Miami, Florida  
October 26, 2004

*Nzeribe & Company, PA*  
Nzeribe & Company, PA

## CURRENT YEAR COMMENTS AND RECOMMENDATIONS

### 1. Board Minutes

#### Observation

The agency bylaw requires that the Board of Directors shall meet at least once each month. Upon examination of the Board minute book, we noted that meetings were not held as required by the bylaw.

#### Recommendation

The Board of Directors must meet as required or document in the minutes why meetings were not held.

#### Management Response

This recommendation has been shared with the Board's secretary who in turn has reviewed the minutes and documented why a particular meeting was not held. This corrective action was completed by the Board secretary as of the submittal of our management response to this issue.

### 2. Payroll

#### Observation

Signed W-4 and I-9 could not be located in one employee file selected for payroll testing.

#### Recommendation

To eliminate future documentation problems, the original signed forms should be placed in the individual personnel file immediately after being copied. The copy should be used to update payroll record and for other use.

#### Management Response

The agency has reviewed this employee file along with others to ensure that all forms are in place. In doing the review, we located the forms and made sure that they were in the file. This corrective action was completed by the agency as of the submittal of our management response to this issue.

### 3. Partnership Program

#### Observation

Upon examination of selected file for testing in the promoting safe and stable families program, we noted that some families who received Preservation Services were reported as family unification referral services in the caseload sheet.

#### Recommendation

To avoid such incident in the future, client files should be color coded or marked to easily identify and properly report the services provided.

## Management Response

The agency has reviewed the caseload sheet and make sure that they reflect the services that were provided. Further, we have established a system as recommended by the Auditor where we indicate the type of case on the files label (i.e. Preservation cases are identified as 'PRE'; Reunification cases are identified as 'REU'; and Support cases are identified as 'SUP'). This corrective action was completed by the agency as of the submittal of our management response to this issue.

## PRIOR YEAR COMMENTS, RECOMMENDATIONS AND STATUS

### 1. **Opening of Bank Accounts.**

#### Observation/Recommendation

The agency opened a separate special events account during the year and the board of directors' minute of meeting does not reflect such action. The board of director approval is required for any new bank account for the agency.

#### Status Update

The Board minutes have been updated to reflect new account opened.

### 2. **Fixed Asset Account**

#### Observation/Recommendation

The agency is carrying some assets that are no longer in existence or obsolete in it book. All of these assets are fully depreciated. The fixed asset cost should reflect the actual fixed assets in existence and being used by the agency. It is recommended that these non-existence or obsolete assets be written off by the agency.

#### Status Update

The Board of Directors has approved write off and management has written off obsolete asset.

### 3. **General**

#### Observation/Recommendation

The agency is required to submit a copy of its audited financial statements report to the grantors within five (5) months after the end of fiscal year. This compliance is recommended to the agency. This is a prior year comment.

#### Status Update

The agency is now in compliance.

### 4. **Contract Compliance**

#### Observation/Recommendation

Perrine Crime Prevention and Counseling program requires, among others, that monthly home visit be made by the counselors to the youth homes to meet with the parents in order to help improve the self-esteem of the youths. Upon examination of selected files, we noted that some home visits were not conducted. It is recommended that counselors visit youths home as required by the contract.

#### Status Update

The agency has implemented this requirement and has included a Home Visit Verification Form procedure to further ensure that services are provided as required by the applicable programs.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2004**

**Section 1 – SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Reportable condition (s) identified

Not considered to be material weakness?

\_\_\_\_\_ yes   X   no

Noncompliance material to financial statements

Noted?

\_\_\_\_\_ yes   X   no

**Federal Awards**

Internal Control over major programs:

Material weakness (es) identified?

\_\_\_\_\_ yes   X   no

Reportable condition (s) identified

Not considered to be material weakness?

\_\_\_\_\_ yes   X   no

Type of auditors' report issued on compliance

For major programs:

UNQUALIFIED

Any audit findings disclosed that are required to be

Reported in accordance with circular

A-133, Section 5.10(a)?

\_\_\_\_\_ yes   X   no

Identification of Major programs:

CFDA Number

Name of Federal Program or Cluster

14.218

Community Development Block

17.246

Employment & Training Assistance

Dollar threshold used to distinguish between

Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

  X   yes \_\_\_\_\_ no

**Section 11 – FINANCIAL STATEMENT FINDINGS**

NO MATTERS WERE REPORTED

**Section 111 – FEDERAL AWARDS FINDING AND QUESTIONED COSTS**

NO MATTER WERE REPORTED

**AUDIT COMPLETION CHECKLIST  
FOR CHARTER SCHOOLS AND OTHER ORGANIZATIONS  
MIAMI-DADE COUNTY PUBLIC SCHOOLS**

The following information should be included in the yearly audit by the organizations submitting their annual external audit. For charter schools, the Auditor General of the State of Florida has issued rules that must be complied with (Chapter 10.850). **Please share this checklist with your external auditor.**

- ☒ 1. The name and address of the school.
- ☒ 2. The name of the principal running the school.
- ☒ 3. Current list of the Board of Directors of the school.
- ☐ 4. If the school is operated by a management company:
  - ☐ a. Name of the company
  - ☐ b. Address
  - ☐ c. List of principal officials
  - ☐ d. Contractual arrangement with the company, such as length of contract, terms, total fees paid for the year, etc. (This information should be included in the footnotes to the financial statements).
- ☒ 5. The financial statements must include comparative totals for the prior year.
- ☒ 6. The financial statements must comply with GASB 34 requirements, if applicable.
- ☐ 7. In the footnotes of the financial statements, the following should be disclosed:
  - ☐ a. Total school enrollment and grade configuration. If separate facilities are in operation, disclose name, address, and the enrollment and grade configuration at each facility.
  - ☐ b. Full disclosure of related party transactions, which should include the related party's name and address, and disclosure of the transaction, particularly if it is a loan that needs to be repaid (principal and interest paid and unpaid). If the debt is in arrears, disclosure of arrangements made to satisfy the debt.
  - ☐ c. Full disclosure of any other debts in arrears, particularly as they relate to the payment of withholding/social security taxes. Arrangements made to pay the debt(s).
  - ☐ d. For charter schools, full disclosure in the notes or as a separate schedule in the audit of the tangible personal property purchased with public funds. (It is a current contractual requirement for charter schools; however, we recommend that it be part of the audit).
  - ☐ e. If there is a deficit cash position or significant losses shown in the financial statements, full disclosure as to how the school plans to keep operating. The current assets should be sufficient to cover the current liabilities. The issue is whether sufficient resources would be available to maintain the school open. This issue may be addressed in the Management Letter.
  - ☐ f. Any disclosures of events subsequent to the balance sheet date that the auditor believes are important to the readers of the financial statements (e.g., significant contractual arrangements and financing or refinancing of debt, payment of past due taxes, etc.).
- ☒ 8. If the audit is not submitted within the contractually required deadline, the Management Letter must comment on it with the appropriate response from the organization as to how it is going to be remedied in future audit submittals.
- ☒ 9. If there are Management Letter findings, each finding must include a response by the organization. If there were prior audit findings, the current audit must include the status of action taken, i.e., whether the recommendation was fully implemented and, if not, when (date) it will be fully implemented. Note that quarterly reports may be required on a case-by-case basis depending on the severity or lack of resolution of the issues noted in the Management Letter.
- ☒ 10. Please enter the following information about the Certified Public Accountant issuing the audit report:

CPA's Name RICHARD NZERIBE

CPA's Address 160 NW 176 ST, MIAMI, FL 33169

License No. 26708 Status CURRENT

Expiration Date DECEMBER 31, 2004

In reference to this checklist, please refer any questions to the Office of Management and Compliance Audits, attention Mr. Norberto Ferradaz, CPA (305) 995-1318.

**Please forward a copy of the completed checklist with your audit.**