

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, 2011

MANAGEMENT AND
COMPLIANCE AUDITS
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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, 2011, 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. 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 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, 2011 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 September 19, 2011, 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 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 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 and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of expenditure of financial awards 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underline 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 statement and certain additional procedures, including comparing and reconciling such information directly to the underline accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statement as a whole.

Nzeribe & Company, P.A.

Miami, Florida
September 19, 2011

Nzeribe & Company, P.A.

**RICHMOND-PERRINE OPTIMIST
CLUB, INC. OF MIAMI, FLORIDA**
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2011
With comparative totals for year 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets:		
Cash	\$ 194,406	\$ 245,917
Due from grantors	155,867	154,261
Other assets	<u>5,310</u>	<u>5,131</u>
Current Assets	355,583	405,309
Non-current Assets:		
Building Construction (See note 4)	4,526,803	4,526,803
Leased equipments (net)	<u>7,600</u>	<u>15,200</u>
Non-current Assets	4,534,403	4,542,003
TOTAL ASSETS	<u>\$ 4,889,986</u>	<u>\$ 4,947,312</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	25,048	67,561
Accrued payroll	36,101	58,471
Loan Payable	71,132	61,132
Lease liability-current	<u>7,239</u>	<u>7,239</u>
Current Liabilities	139,520	194,403
Non-current Liabilities:		
Lease liabilities -noncurrent	1,809	9,048
TOTAL LIABILITIES	<u>141,329</u>	<u>203,451</u>
NET ASSEST		
Unrestricted	9,020	4,433,190
Temporarily Restricted	<u>4,739,637</u>	<u>310,671</u>
TOTAL NET ASSETS	<u>4,748,657</u>	<u>4,743,861</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,889,986</u>	<u>\$ 4,947,312</u>

See accompanying notes to financial statements

**RICHMOND-PERRINE OPTIMIST
CLUB, INC. OF MIAMI, FLORIDA**
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2011
 With comparative totals for year 2010

UNRESTRICTED NET ASSETS	<u>2011</u>	<u>2010</u>
Support:		
Miami Dade County-Dept of Human Services/ Office of Grant Coordination	\$ 265,644	\$ 383,750
Miami-Dade County School Board	462,037	497,123
The Children's Trust	775,875	893,598
United Way of Dade County Miami Dade	94,998	103,000
Contributions	<u>6,960</u>	<u>8,206</u>
 Total Unrestricted Revenue	 1,605,514	 1,885,677
 Net Asset Release from restriction	 <u>97,837</u>	 <u>298,030</u>
 Total Support	 <u>1,703,351</u>	 <u>2,183,707</u>
 EXPENSES:		
Program Services:		
Training	259,138	343,282
Education	412,762	374,088
Youth Service (including crime/drug prevention)	<u>793,250</u>	<u>834,638</u>
	1,465,150	1,552,008
 Supporting Services:		
General & Administrative	135,568	143,497
 Total Expenses	 <u>1,600,718</u>	 <u>1,695,505</u>
 Increase in Unrestricted Net Assets	 102,633	 488,202
 TEMPORARY RESTRICTED NET ASSETS:		
Receipt for program future program activities	0	0
Net Asset release from restriction	<u>(97,837)</u>	<u>(298,030)</u>
 (Decrease) in Temporarily Restricted Net Assets	 <u>(97,837)</u>	 <u>(298,030)</u>
 Increase in Net assets:	 4,796	 190,172
 Net assets at beginning of year:	 4,743,861	 4,553,689
 Net assets at end of year:	 <u>\$ 4,748,657</u>	 <u>\$ 4,743,861</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, 2011
 with comparative totals for 2010

	<u>PROGRAM SERVICES</u>				<u>SUPPORT SERVICES</u>	<u>2011 TOTAL</u>	<u>2010 TOTAL</u>
	<u>TRAINING</u>	<u>EDUCATION</u>	<u>YOUTH SERVICES</u>	<u>TOTAL</u>	<u>GENERAL ADMIN</u>		
Salaries	105,862	314,608	559,460	979,930	98,738	1,078,668	1,118,522
Fringe benefits	<u>12,371</u>	<u>36,742</u>	<u>70,963</u>	<u>120,076</u>	<u>12,669</u>	<u>132,745</u>	<u>132,042</u>
Total	118,233	351,350	630,423	1,100,006	111,407	1,211,413	1,250,564
Participants' wages stipends & fringes	62,988		2,457	65,445		65,445	136,430
Transportation	19,118	296	10,154	20,568	29	29,597	20,792
Equipment rentals		1,313	3,549	4,862	481	5,343	368
Field trip admissions	42,653	750	27,735	71,138		71,138	64,313
Program/Operating supplies	362	3,457	38,896	42,715	193	42,908	54,127
Professional fees	5,996	13,798	10,305	30,099	2,977	33,076	23,587
Telephone	1,166	3,302	16,274	20,742	2,078	22,820	22,692
Conference/Seminars			646	646	719	1,365	1,620
Office supplies & expenses	796	325	13,279	14,400	1,199	15,599	21,783
Office/Space rental	2,002		10,905	12,907	1,277	14,184	16,810
Printing/Publications	188	257	1,766	2,211	377	2,588	3,897
Maintenance & repairs	910	3,172	9,019	13,101	1,276	14,377	15,911
Utilities	2,729	20,993	12,346	36,068	3,567	39,653	32,029
Insurance		1,073		1,073	106	1,179	1,640
Special services	30	11,052	940	12,022	113	12,135	10,310
Interest				0	8,566	8,566	10,276
Miscellaneous	<u>371</u>	<u>332</u>	<u>395</u>	<u>1,098</u>	<u>652</u>	<u>1,750</u>	<u>756</u>
Total before depreciation	<u>257,542</u>	<u>411,470</u>	<u>789,089</u>	<u>1,458,101</u>	<u>135,017</u>	<u>1,593,118</u>	<u>1,687,905</u>
Depreciation	1,596	1,292	4,161	7,049	551	7,600	7,600
Total Expenses	259,138	412,762	793,250	1,465,150	135,568	1,600,718	1,695,505

See accompanying notes to financial statements

**RICHMOND-PERRINE OPTIMIST
CLUB, INC. OF MIAMI, FLORIDA**
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2011
 With comparative totals for year 2010

CASH FLOWS FROM OPERATING ACTIVITIES

	<u>2011</u>	<u>2010</u>
Changes in net assets	\$ 4,796	\$ 190,172
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,600	7,600
(Increase)/Decrease in grants receivable	(1,606)	(27,110)
(Increase)/Decrease in other assets	(179)	(3,143)
(Decrease)/Increase in accounts payable	(42,513)	109,648
(Decrease)/Increase in accrued payroll	(22,370)	2,198
(Decrease) in lease payable	<u>(7,239)</u>	<u>(7,237)</u>
Total Adjustments	(66,307)	(177,376)
Net Cash provided by operating activities	<u>61,511</u>	<u>12,796</u>
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Construction in progress	0	(221,273)
Net Cash used in investing activities	<u>0</u>	<u>(221,273)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceed from (Repayment) of loan	10,000	(5,000)
Net Cash from financing activities	<u>10,000</u>	<u>(5,000)</u>
Net (Decrease)/Increase in cash	(51,511)	(213,477)
Cash balance beginning of year	245,917	459,394
Cash balance end of year	<u>\$ 194,406</u>	<u>\$ 245,917</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, 2011

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: Charles W. Bethel Jr. -President; Dr. Leonardo Stringer- 1st Vice President; Dr. George Battle- 2nd Vice President; Ronald E. Tookes-Secretary; James Williams-Treasurer; Col. Eddie Alford-Board Member; Samuel Burley-Board Member; Joyce Brumby-Board Member; Omar Hassan-Board Member; Dr. Donald Hollis- Board Member; Daisy Gardner Lester- Board Member; Benecia Townsend-Board Member and Wayne Williams-Board member. The main office of the Organization is located at 18055 Homestead Avenue, 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 \$1,000 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)

Funded by Miami-Dade County –Office of Grant Coordination.

Summer Camp Reading (SCR)

After School House (ASH)

Parent Support (PP)

Funded by The Children’s Trust

Summer Youth Employment (SYEP)

Funded by United Way of Miami-Dade County and Miami-Dade County Office of Grant Coordination.

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

Modello South Dade Neighborhood Empowerment Program (MSDNEP)

Community Suspension Program (CSP)

Crime Prevention Program (PCPP/GYDP)

Funded by Miami-Dade County Office of Grant Coordination.

Naranja Youth Enterprise South (NYES)

Funded by United Way of Miami-Dade County

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 18055 Homestead Avenue, Miami, Florida, in the Perrine area. The center director is Mr. Lance Williams who oversees 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’s educational program is funded by Miami-Dade County School Board (DCSB).

3. FIXED ASSETS

Furniture, fixtures and equipments at June 30, 2011 and 2010 are summarized as follows:

	<u>2011</u>	<u>2010</u>
Furniture & Equipments	36,677	36,677
Leased Equipments	38,000	38,000
Accumulated Depreciation	<u>(67,077)</u>	<u>(59,477)</u>
	<u>\$ 7,600</u>	<u>\$15,200</u>

4. BUILDING CONSTRUCTION

The management expended \$4,526,803 towards the building of Youth Activity Center. The building is located on 18055 Homestead Avenue in Perrine, Florida. The construction of the Youth Activity Center was done on county landed property leased to the agency for thirty (30) years and allowed for the construction of the building. The building has been totally completed and is restricted in the net asset. The agency is waiting on the County General Service Administration (GSA) to issue an amended lease to include the building in the existing lease. As of June 30, 2011, the amendment to the existing lease which will include the building is still pending.

5. LOAN PAYABLE

Loan includes a bank loan of \$43,632. On March 25, 2011, Richmond Perrine Optimist Club, Inc. renewed an existing \$50,000 line of credit with Total Bank to be drawn upon as needed through October 25, 2011, with an interest rate of 2% above prime. The loan is secured by corporate assets. As of June 30, 2011, \$43,631.50 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, 2011 for programs activities:	\$ 212,834
Building (see note 4)	<u>4,526,803</u>
	\$4,739,637

7. COMMITMENTS AND CONTINGENCIES

Lease

The Organization is operating on a thirty (30) years lease on county property. The Organization also has leases on various office spaces in various locations for the purpose of providing family preservation, support, youth’s services and other service programs close to the communities.

The Organization is leasing some copier equipments. These leases are classified as a capital lease obligations and the assets are included in the leased assets in the financial statements. The lease expires on 2013. The following is a schedule by years of future minimum lease payments under capital lease as of June 30, 2011:

Year ending June 30:

2012	7,238
2013	<u>1,809</u>
Total minimum lease payment	<u>9,047</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.

**RICHMOND-PERRINE OPTIMIST
CLUB, INC. OF MIAMI, FLORIDA**
Supplemental Schedule of Financial Awards
For The Year Ended June 30, 2011

	<u>Grant No.</u>	<u>From</u>	<u>To</u>	<u>Award/ Contract Amount</u>	<u>Expenditures</u>
Miami-Dade County Office of Grant Coordination	N/A	10/01/09 10/01/10	09/30/10 09/30/11	271,320 271,322	265,644
Miami-Dade County Public School	N/A	07/01/10	06/30/11	466,349	462,037
United Way of Miami-Dade County	N/A	07/01/10	06/30/11	94,998	94,998
The Children's Trust	910/923-130 1010/1013-1300	08/01/09 08/01/10	07/31/10 07/31/11	931,894 797,921	775,876
TOTAL FINANCIAL AWARD				<u>\$2,833,804</u>	<u>\$1,598,555</u>

RICHMOND-PERRINE OPTIMIST CLUB, INC.

SCHEDULE OF EXPENSES

For the Years Ended June 30, 2011

With comparative totals for the year 2010

	<u>2011</u>	<u>2010</u>
EXPENSES		
Salaries	1,078,668	1,118,522
Fringe benefits	132,745	132,042
Stipends & fringes	65,445	136,430
Transportation	29,597	20,792
Equipment Rental	5,343	368
Field trip admission	71,138	64,313
Operating/Program supplies	42,908	54,127
Professional fees	33,076	23,587
Telephone	22,820	22,692
Conference/Seminars	1,365	1,620
Office supplies	15,599	21,783
Office/Space rental	14,184	16,810
Printing/Publications	2,588	3,897
Maintenance & Repair	14,377	15,911
Utilities	39,653	32,029
Insurance	1,179	1,640
Special services	12,135	10,310
Interest	8,566	10,276
Depreciation	7,600	7,600
Miscellaneous	<u>1,750</u>	<u>756</u>
Total Expenses	<u>\$ 1,600,718</u>	<u>\$ 1,695,505</u>

BASIS OF ALL SCHEDULES PRESENTATION

The accompanying Schedule of Expenditures of Financial Assistance of Richmond-Perrine Optimist Club, Inc. are 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.

**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**

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, 2011, and have issued our report thereon dated September 19, 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.

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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose 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 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 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.

We noted certain matters that we reported to management of Richmond-Perrine Optimist Club, Inc. of Miami, Florida in a separate management letter dated September 19, 2011

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

Nzeribe & Company, PA

Miami, Florida
September 19, 2011

Nzeribe & Company, PA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

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 US office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2011. Richmond-Perrine Optimist Club, Inc.'s major federal programs 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 each of its major federal programs 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 OMB Circular A-133, Audits of States, Local Government, and Non Profit Organizations. Those Standards and OMB Circular A-133 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 federal program 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 federal programs for the year ended June 30, 2011. 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 September 19, 2011.

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 federal programs. 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 major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of the Richmond-Perrine Optimist Club, Inc.'s internal control over compliance. A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement, of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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 September 19, 2011.

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

Nzeribe & Company, PA

Miami, Florida
September 19, 2011

Nzeribe & Company, PA

**INDEPENDENT AUDITORS' REPORT ON COMMUNICATION WITH THOSE CHARGED WITH
GOVERNANCE UNDER SAS No. 114**

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

We have audited the financial statements of Richmond-Perrine Optimist Club, Inc. of Miami, Florida for the year ended June 30, 2011, and we have issued our report thereon dated September 19, 2011. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated May 14, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all materials respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of Richmond-Perrine Optimist Club, Inc. of Miami, Florida. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Richmond-Perrine Optimist Club, Inc. of Miami, Florida's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 15, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Richmond-Perrine Optimist Club, Inc. of Miami, Florida are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the

possibility that future events affecting them may differ significantly from those expected. There was no significant most sensitive estimate affecting the financial statements during the period.

The disclosure in the financial statements is neutral, consistent, and clear. There are no significant disclosures that warrant communication to those charged with governance.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 19, 2011.

Management Consultations with Our Independent Accountants

In some cases, management may decide to consult with others accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Very truly yours,

Nzeribe & Company, PA

Miami, Florida
September 19, 2011

Nzeribe & Company, PA.

NZERIBE & COMPANY, P.A.

Certified Public Accountants

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MANAGEMENT LETTER

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

In planning and performing our audit of the financial statements of Richmond-Perrine Optimist Club, Inc. of Miami, Florida for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the organization internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organizations internal control. Accordingly, we do not express an opinion on the effectiveness of the organization internal control.

However, during our audits we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated September 19, 2011 on the financial statements of Richmond Perrine Optimist Club, Inc. of Miami, Florida.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized in the following pages.

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

Miami, Florida
September 19, 2011

Nzeribe & Company, PA

Nzeribe & Company, PA

CURRENT YEAR COMMENTS AND RECOMMENDATIONS

Financial Statement

Building Construction

The agency is still carrying the cost of the building in its financial statement at cost. This building has been completed and should be released to the County.

Recommendation

The agency should obtain an updated lease agreement with the County General Service Administration (GSA) to include the building and its furnishing and remove the cost of the building from its assets.

Management Response

The Agency concurs with this recommendation and has forwarded a request to the County's General Service Administration (GSA) to include the building and its furnishings in its current lease, so that the building can be removed from the agency's assets in its financial statements.

Compliance

(1) Case Record Maintenance

During our test of participants enrollee time sheet, we noted that in a period selected for testing, one participant's sign in/out sheet hours totaled 10 hours, but was incorrectly entered in the computer for 12 hours, resulting in overpayment. In some cases the participants' enrollee time sheets were not approved in the area noted for approval.

Recommendation

We recommend proper verification of the time sheets with the sign in sheets and that the required signatures must be in place to ensure accuracy.

Management Response

The Agency concurs with this finding and the recommendation. The Executive Director met with his management staff and discussed this concern at length. The error that was cited on the one participant's time sheet was the result of a mistake made during the transferring of hours from the original sign in and out sheet to the typed timesheet. Emphasis was placed on double checking the information for accuracy after it is transferred onto the time sheet and ensuring that the appropriate signatures are recorded on the timesheets after the accuracy checks are made. Applicable records were reviewed and any missing signatures were corrected after the review. The Executive Director went further and issued a memo to staff reinforcing the need to check and double check participant time sheets for accuracy and to ensure that the proper signatures are attached.

CURRENT YEAR COMMENTS AND RECOMMENDATIONS CONT'D

(2) Case Record Maintenance

Some participants' case records were not updated for almost four months. No sign in sheets for these participants and no records of services being provided for these participants.

Recommendation

The case workers must update all case records and document all necessary findings in the course of providing services.

Management Response

The Agency concurs with this finding, but feels that there were extenuating circumstances that caused this situation in the case of one counselor's caseload. First of all, the Goulds Youth Development Program was initially funded for the first six months (10/1/2010 to 3/31/2011), rather than for the whole year. One of our counselors left the agency in February 2011, to accept another job, just one month prior to the expiration of the six month contract which ended on 3/31/2011. It did not make sense to hire someone with the funding being in limbo and only one month left in the contract. We finally got word that the contract would be extended for another three months. The agency struggled with the issue of trying to hire someone for three months with no guarantee that the program would receive further funding beyond 6/30/2011 period. As a result of the uncertainty around continued funding of the program, the agency did not hire a replacement counselor and subsequently closed out those cases. This caused the break in services and only affected that one counselor's caseload. The agency will not experience this problem in the future as the new contract is for the full year and the position has been filled.

Management Comments Continued

PRIOR YEAR COMMENTS AND STATUS UPDATE

Compliance

1. Case Record Maintenance.

Counselors are required to make at least one home visit a month to individual homes to address problems the youths might be facing at home, and to document the findings. In the crime prevention program, we examined some individual case record and noted that some of these visits were not made or documented.

Status Update

Agency is now in compliance

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section 1 – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: UNQUALIFIED

Internal control over financial reporting:

Material weakness (es) identified: _____ yes X no

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:

Name of Federal Program or Cluster

Youth Training

Dollar threshold used to distinguish between
Type A and Type B programs: \$500,000

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