



MIAMI DIAPER BANK, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31ST, 2022 AND 2021



RLMolina, LLC

Certified Public Accountants & Business Advisors

**MIAMI DIAPER BANK, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31ST, 2022 AND 2021**

TABLE OF CONTENTS

PAGE(S)

Independent Auditors' Report..... 1-3

FINANCIAL INFORMATION

Statements of Financial Position 4

Statement of Activities..... 5-6

Statement of Functional Expenses..... 7-8

Statements of Cash Flows..... 9

Notes to Financial Statements 10-16

COMPLIANCE SECTION

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 Governmental Auditing Standards 17-18

Schedule of Findings and Responses 19



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Independent Auditors' Report

To the Board of Directors
Miami Diaper Bank, Inc.
Miami, Florida

Opinion

We have audited the financial statements of Miami Diaper Bank, Inc. ("Miami Diaper Bank"), which comprise the statements of financial position as of December 31st, 2022 and 2021, and the related statements of operations and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Miami Diaper Bank as of December 31st, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Miami Diaper Bank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Miami Diaper Bank's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Independent Auditors' Report (Cont'd.)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Miami Diaper Bank's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Miami Diaper Bank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Independent Auditor's Report (Cont'd.)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17th, 2023, on our consideration of Miami Diaper Bank'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* in considering Miami Diaper Bank's internal control over financial reporting and compliance.

RLMolina, LLC

March 17th, 2023
Hollywood, Florida



RLMolina, LLC

Certified Public Accountants & Business Advisors

MIAMI DIAPER BANK, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31ST, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets:		
Cash	\$ 360,810	\$ 416,138
Grants Receivable	164,892	27,143
Prepays and Other Assets	<u>11,495</u>	<u>10,424</u>
Total Current Assets	537,197	453,705
Furniture and Equipment, Net	<u>68,818</u>	<u>-</u>
Total Assets	<u>\$ 606,015</u>	<u>\$ 453,705</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 10,730	\$ 2,470
Paycheck Protection Program Loan Payable	<u>-</u>	<u>-</u>
Total Liabilities	<u>10,730</u>	<u>2,470</u>
NET ASSETS		
Net Assets Without Donor Restrictions:		
Unrestricted	<u>595,285</u>	<u>451,235</u>
Total Net Assets Without Donor Restrictions	<u>585,285</u>	<u>451,235</u>
Total Liabilities And Net Assets	<u>\$ 606,015</u>	<u>\$ 453,705</u>

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

MIAMI DIAPER BANK, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31ST, 2022

REVENUE	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue:			
Government Grants and Contracts	\$ 128,058	\$ -	\$ 128,058
Other Grants and Contracts	-	388,955	388,955
Contributions	208,134	-	208,134
Fundraising and Events	730	-	730
In-Kind Donations	246,917	-	246,917
Total Public Support and Revenue	583,839	388,955	972,794
Net Assets Released From Restrictions:			
Restrictions Satisfied by Payments	388,955	(388,955)	-
Total Net Assets Released From Restrictions	388,955	(388,955)	-
Total Revenue	972,794	-	972,794
EXPENSES			
Program Services:			
Diaper Services	677,513	-	677,513
Total Program Services	677,513	-	677,513
Supporting Services:			
Fundraising	36,601	-	36,601
Management and General	114,630	-	114,630
Total Supporting Services	151,231	-	151,231
Total Expenses	828,744	-	828,744
Changes in Net Assets	144,050	-	144,050
Net Assets, Beginning of Year	451,235	-	451,235
Net Assets, End of Year	\$ 595,285	\$ -	\$ 595,285

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

MIAMI DIAPER BANK, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31ST, 2021

REVENUE	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue:			
Government Grants and Contracts	\$ 32,632	\$ -	\$ 32,632
Other Grants and Contracts	-	218,226	218,226
Contributions	142,347	-	142,347
Fundraising and Events	7,046	-	7,046
Other Income	18,378	-	18,378
In-Kind Donations	222,964	-	222,964
Total Public Support and Revenue	423,367	218,226	641,593
Net Assets Released From Restrictions:			
Restrictions Satisfied by Payments	218,226	(218,226)	-
Total Net Assets Released From Restrictions	218,226	(218,226)	-
Total Revenue	641,593	-	641,593
EXPENSES			
Program Services:			
Diaper Services	430,249	-	430,249
Total Program Services	430,249	-	430,249
Supporting Services:			
Fundraising	24,880	-	24,880
Management and General	70,319	-	70,319
Total Supporting Services	95,199	-	95,199
Total Expenses	525,448	-	525,448
Excess (Deficit) of Revenue and Support Over Expenses	116,145	-	116,145
Nonoperating Revenue:			
Payroll Protection Program Grant	19,096	-	19,096
Total Nonoperating Revenue	19,096	-	19,096
Changes in Net Assets	135,241	-	135,241
Net Assets, Beginning of Year	315,994	-	315,994
Net Assets, End of Year	\$ 451,235	\$ -	\$ 451,235

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

MIAMI DIAPER BANK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31ST, 2022

Expenditures	Program Services		Supporting Services			Total Expenses
	Diaper Services	Total Program Services	Management & General	Fundraising	Total Supporting Services	
Payroll and Related Costs	\$ 71,059	\$ 71,059	\$ 29,404	\$ 22,053	\$ 51,457	\$ 122,516
Space Rental	33,051	33,051	3,672	-	3,672	36,723
Professional Services	62,940	62,940	26,974	-	26,974	89,914
Postage, Shipping and Delivery	-	-	16,722	-	16,722	16,722
Marketing and Promotion	5,211	5,211	2,605	868	3,473	8,684
Dues and Subscriptions	-	-	7,816	-	7,816	7,816
Bank Charges and Fees	-	-	1,141	-	1,141	1,141
Program Supplies and Materials	250,054	250,054	-	-	-	250,054
Insurance	7,661	7,661	7,661	-	7,661	15,322
Travel- Mileage, Tolls, etc.	619	619	619	310	929	1,548
Office Supplies	-	-	7,814	-	7,814	7,814
In-Kind Materials	246,917	246,917	-	-	-	246,917
Events	-	-	-	13,370	13,370	13,370
Licenses and Permits	-	-	1,133	-	1,133	1,133
Other Expenses	-	-	9,070	-	9,070	9,070
Total Expenses	\$ 677,512	\$ 677,512	\$ 114,631	\$ 36,601	\$ 151,232	\$ 828,744

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

MIAMI DIAPER BANK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31ST, 2021

Expenditures	Program Services		Supporting Services			Total Expenses
	Diaper Services	Total Program Services	Management & General	Fundraising	Total Supporting Services	
Payroll and Related Costs	\$ 60,130	\$ 60,130	\$ 24,882	\$ 18,661	\$ 43,543	\$ 103,673
Space Rental	7,902	7,902	878	-	878	8,780
Professional Services	55,601	55,601	23,829	-	23,829	79,430
Postage, Shipping and Delivery	-	-	9,996	-	9,996	9,996
Marketing and Promotion	3,381	3,381	1,691	563	2,254	5,635
Dues and Subscriptions	-	-	1,375	-	1,375	1,375
Bank Charges and Fees	-	-	1,073	-	1,073	1,073
Program Supplies and Materials	75,793	75,793	-	-	-	75,793
Insurance	3,957	3,957	3,956	-	3,956	7,913
Travel- Mileage, Tolls, etc.	521	521	521	261	782	1,303
Office Supplies	-	-	449	-	449	449
In-Kind Materials	222,964	222,964	-	-	-	222,964
Events	-	-	-	5,395	5,395	5,395
Licenses and Permits	-	-	538	-	538	538
Other Expenses	-	-	1,131	-	1,131	1,131
Total Expenses	\$ 430,249	\$ 430,249	\$ 70,319	\$ 24,880	\$ 95,199	\$ 525,448

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

MIAMI DIAPER BANK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31ST, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 144,050	\$ 135,241
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Decrease (Increase) In Assets:		
Grants Receivable	(137,749)	(7,143)
Prepays and Other Assets	(1,070)	(10,424)
Decrease (Increase) In Liabilities:		
Accounts Payable and Accrued Expenses	8,260	116
Net Cash (Used In) Provided By Operating Activities	<u>(13,491)</u>	<u>117,790</u>
Cash Flows From Investing Activities:		
Purchase of Furniture and Equipment	<u>(68,817)</u>	<u>-</u>
Net Cash Used In Investing Activities	<u>(68,817)</u>	<u>-</u>
Cash Flows From Financing Activities:		
Paycheck Protection Program Loan Forgiven	<u>-</u>	<u>(19,096)</u>
Net Cash Used In Financing Activities	<u>-</u>	<u>(19,096)</u>
Net (Decrease) Increase in Cash	(55,328)	98,694
Cash, Beginning of Year	<u>416,138</u>	<u>317,444</u>
Cash, End Of Year	<u>\$ 360,810</u>	<u>\$ 416,138</u>
Supplemental Disclosure:		
In-Kind Donations	<u>\$ 246,917</u>	<u>\$ 222,964</u>

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

MIAMI DIAPER BANK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31ST, 2022 AND 2021

Note 1 - Organization

The Miami Diaper Bank, Inc. (“Miami Diaper Bank”) is a Florida non-for-profit corporation established on May 14th, 2014 as the first established diaper bank in Miami, Florida. The Miami Diaper Bank’s Mission is to collect and distribute diapers and other diaper related products to low-income families and their children, while also raising awareness about the need for diaper donations in the south Florida area.

Since government assistance programs such as food stamps and nutrition program for Women, Infants, and Children “WIC” do not cover diapers, many families struggle every day to provide their children with enough clean diapers to keep them dry, happy and healthy. Miami Diaper Bank steps in to fill the “diaper gap” in our community by distributing free diapers and baby essentials to other local nonprofits, community organizations and shelters who serve families in need. The Miami Diaper Bank and its notforprofit partner agencies are serving over 35,000 babies in 6 South Florida Counties.

Diaper Bank Program

Through its Diaper Distribution Program, the Miami Diaper Bank donates diapers and baby essentials to a diverse cross-section of direct service agencies. The core aspects of our program include:

- The distribution of diapers and related baby essentials to low-income and homeless families with diaper need through drop-shipment to direct service agencies and community engagement activities.
- Emergency diaper relief to families with emergent need during natural disasters, crises and the COVID-19 pandemic.
- Pop-Up Diaper Distribution Events to provide a quick and effective solution to an unmet community need. We bring large quantities of diapers directly into neighborhoods hard-hit by COVID-19 and connect them to families who are experiencing unexpected diaper need and may not be receiving other supportive services. Our scalable and replicable emergency safety net utilizes a volunteer-driven contactless, drive-thru approach to diaper distribution for families experiencing urgent need.
- Diaper Drives that are typically organized by members of the community to collect diaper donations on behalf of the Miami Diaper Bank and then we ensure the diapers collected get to families who need them most.
- Hero Boxes (neighborhood diaper collection bins) which provide people with opportunities to act around the issue of diaper need in their own community.
- Family Engagement Toolkit Project that is designed to educate and mobilize local residents to act around the problem of diaper need and take action in their own communities.

By activating a series of community engagement initiatives including diaper drives, neighborhood diaper collection bins, digital communications, family toolkits, and through local partnerships, the Miami Diaper Bank connects diapers to the most vulnerable children and families in South Florida.

MIAMI DIAPER BANK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31ST, 2022 AND 2021

Note 2 - Summary of Significant Accounting Policies

The Financial Accounting Standards Board (the “FASB”) sets generally accepted accounting principles (“GAAP”) to ensure consistent reporting. References to GAAP issued by the FASB in the accompanying footnotes are to the FASB Accounting Standards Codification (the “ASC”).

Basis of Accounting

The accompanying financial statements are presented in accordance with FASB ASC 958, *Not-For-Profit Organizations*. The financial statements of the Miami Diaper Bank have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America. Presented below is a summary of significant accounting principles followed in the preparation of the accompanying financial statements.

Financial Statement Presentation

These financial statements are prepared in accordance with FASB ASC. In accordance with these standards, net assets, revenues, expenses, gains and losses are classified as to two classes of net assets: without donor restrictions and with donor restrictions.

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions, including, if applicable, net assets that have been designated by the Board of Directors for expenditure on specific purposes or projects.

With Donor Restrictions – Net assets subject to restrictions imposed by donors or grantors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

At the close of business on December 31st, 2022 and 2021, the Miami Diaper Bank had \$595,285 and \$451,235 in net assets without donor restrictions, respectively. There were no net assets with donor restrictions.

The primary source of revenue for the Miami Diaper Bank consists of grants which, absent a specific restriction by the grantor, are considered to be available for unrestricted use. Grants revenue includes only that portion of the grants that was earned prior to the balance sheet date. All grants funds received as of the statement of financial position date which is considered to be applicable to future periods are reflected as deferred revenue on the statement of financial position or temporarily restricted net assets, where applicable.

Secondary sources of revenue for the Miami Diaper Bank consist of contributions and donations received from corporations and individual within the community..

The costs of providing the various programs and other activities have been detailed in the accompanying Schedule of Activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative costs incurred. Administrative and other support expenses are allocated to the various programs based on each program's salary expense.

MIAMI DIAPER BANK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31ST, 2022 AND 2021

Note 2 - Summary of Significant Accounting Policies (Cont'd.)

Cash

Cash consist of a demand deposit at one of the financial institution that, at times, may exceed federally insured limits. the Miami Diaper Bank has not experienced any losses in such accounts.

Grants Receivable

Amounts reflected as grants receivable represent the differences between the grant awards (federal, state and local) and contractual revenue earned and cash receipts related to these awards and revenue. Grants revenue is recognized to the extent that these funds are earned. The Miami Diaper Bank believes that the concentration associated with its grants receivable is mitigated by the fact that the majority of the grants receivable at year end are due mainly from federal, state and local governmental agencies.

Furniture and Equipment

Furniture and equipment are capitalized at cost. Donated assets are valued at their estimated fair value on the date donated. Such donations are reported as increases in net assets without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, Miami Diaper Bank reports expirations of donor restrictions when the donated assets are placed in service. Miami Diaper Bank reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized using the straight-line method over the term of their respective leases or their useful life, whichever is shorter. These useful Lives are as follows:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5-10
Computer equipment and software	3-7
Vehicles	5-10

It is Miami Diaper Bank's policy to capitalize property and equipment over \$1,000; lesser amounts are expensed.

Grants and Contract Revenue

A significant portion of the The Miami Diaper Bank's revenue originates from state and local grants and contracts. Costs incurred under each of the programs are subject to approval and subsequent audits by the respective agencies. Funding under certain existing grants may be reduced or increased at the discretion of the grantor agencies. Grants and contracts are considered exchange transactions and are recorded as unrestricted revenue when earned. Grant funds received prior to the incurrence of the qualifying expenses are deferred and reported as refundable advances on the Statement of Financial Position.

Contributions

The Miami Diaper Bank accounts for contributions in accordance with FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions.

MIAMI DIAPER BANK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31ST, 2022 AND 2021

Note 2 - Summary of Significant Accounting Policies (Cont'd.)

Donated Goods and Services

The Miami Diaper Bank receives various types of donated revenue, including professional services, donated goods/materials. Donated materials are reflected as support in the accompanying statements of activities at their estimated fair value at date of receipt. Contributed professional services are recognized if the services received create or enhance goods and long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided through donation. Donated services are recognized when meeting the following criteria:

- a. The services performed are a normal part of the program or supporting services and would otherwise be performed by salaried personnel.
- b. The Miami Diaper Bank exercises control over employment, activities, and duties of the provider of the service.
- c. There is a measurable basis for determining the value of the service.

The Miami Diaper Bank received donated goods valued at \$246,917 and \$222,964 for the years ended December 31st, 2022 and 2021, respectively.

Income Taxes

The Miami Diaper Bank was organized as a not-for-profit corporation and has received an exemption under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is provided for in the accompanying financial statements. In addition, the Miami Diaper Bank has also been determined by the Internal Revenue service not to be a "private foundation" within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). The FASB ASC interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Under this guidance, the Miami Diaper Bank may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Miami Diaper Bank and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years ended December 31st, 2022 and 2021, respectively.

The Miami Diaper Bank files forms 990 in the U.S. federal jurisdiction. Management believes that the Miami Diaper Bank is generally no longer subject to examination by the Internal Revenue Service for fiscal years before December 31st, 2018.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The actual outcome of these estimates could differ from the estimates made in the preparation of the financial statements.

Note 2 - Summary of Significant Accounting Policies (Cont'd.)

Allocation of Administrative and Indirect Costs

Directly identifiable expenses are charged to programs and supporting services. Management and general administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support of the Miami Diaper Bank. Such expenses are allocated on the basis of occupancy of square footage. Depreciation and amortization is allocated on the basis of usage of the related property and equipment.

Subsequent events

Under FASB ASC, subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued or ready to be issued. The Miami Diaper Bank recognizes in the financial statements the effect of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including estimates inherent in the process of preparing the financial statements. The Miami Diaper Bank's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the financial statements are issued. The Miami Diaper Bank, has evaluated the subsequent events through March 17th, 2023, which is the date the financial statements were available to be issued. See also **Note 10**.

Note 3 - Change in Accounting Principle

In May 2014, FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). ASU 2014-09 creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The objective is to allow financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows resulting from contracts with customers.

In June 2018, the FASB issued ASU No. 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 provides clarifying guidance on accounting for the grants and contracts of not-for-profit organizations as they relate to the new revenue standard (ASU 2014-09, Revenue from Contracts with Customers). The objective is to minimize diversity in the classification of grants and contracts that exists under current guidance.

The new standards are effective for Miami Diaper Bank's year ending December 31st, 2022. Miami Diaper Bank adopted both of the ASU's effective February 1st, 2021, using the prospective method. The adoption of these standards did not result in significant changes to Miami Diaper Bank's accounting policies or impact its financial position, changes in net assets or cash flows. As such, prior period financial statements were not restated and there was no cumulative effect adjustment upon adoption.

MIAMI DIAPER BANK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31ST, 2022 AND 2021

Note 4 - Liquidity And Availability Of Financial Assets

The following reflects the the Miami Diaper Bank s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Accounts receivable are subject to an implied time restriction but are expected to be collected within one year. The Miami Diaper Bank plans to keep cash on hand that are adequate to cover several months of regular operating expenses, and invests any surplus in money market funds.

<u>Description of Assets</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 360,810	\$ 416,138
Grants receivable	164,892	27,143
Financial Assets Available to Meet Cash Needs For General Obligations/Expenditures Within One Year.	<u>\$ 525,702</u>	<u>\$ 443,281</u>

Note 5 — Grants Receivable

Grants receivable have been recorded for costs incurred by the Miami Diaper Bank which have not yet been reimbursed by the various grantor agencies. A detail of significant grants receivable are as follows:

<u>Description of Assets</u>	<u>2022</u>	<u>2021</u>
United Way	\$ 22,892	\$ -
The Childrens Trust	80,000	17,143
Elected Officials	25,000	10,000
Shelton Enterprises	28,000	-
Florida Blue	5,000	-
City of Miami Dade	4,000	-
Total Grants Receivable	<u>\$ 164,892</u>	<u>\$ 27,143</u>

Note 6 - Furniture and Equipment

Furniture and equipment consist of the following as of December 31,:

<u>Description:</u>	<u>2022</u>	<u>2021</u>	<u>Useful Life</u>
Furniture and equipment	\$ 68,818	\$ -	5-7 years
Less: Accumulated depreciation	-	-	
Total Property and Equipment, Net	<u>\$ 68,818</u>	<u>\$ -</u>	

There were no depreciation expense for the years ended December 31st, 2022 and 2021.

Note 7 – Concentration

From time to time, the Miami Diaper Bank maintains its cash in deposit accounts at several financial institutions that may have exceeded the Federal Deposit Insurance Corporation ("FDIC") limits of \$250,000. Management monitors these balances and believes they do not represent a significant credit risk to the Miami Diaper Bank for the years ended December 31st, 2022 and 2021, respectively.

MIAMI DIAPER BANK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31ST, 2022 AND 2021

Note 8 - Commitments And Contingencies

The Miami Diaper Bank receives a significant portion of its funding from public grants and contracts. A significant reduction in the level of this funding, if this were to occur, would have an effect on the Miami Diaper Bank's ability to carry out its programs and activities. Costs reflected in the accompanying financial statements relating to government funded programs are subject to audit by the Grantors. The possible disallowance by the grantors of any item charged to the program cannot be determined at this time. No provision for any liability that may result has been made in the financial statements.

Note 9 - Pending Adoption of New Standards

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") is the sole source of authoritative non-governmental U.S. generally accepted accounting principles.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which modifies how expected credit losses on financial instruments are developed. In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments – Credit Losses (Topic 326) which provides amendments to ASU No. 2016-13 and defers the effective date to years beginning after December 15, 2021. The new standards are effective for Miami Diaper Bank on February 1st, 2022. Miami Diaper Bank is evaluating the effect that ASU No. 2016-13 and ASU No 2018-19 will have on its financial statements and related disclosures.

Note 10 - Subsequent Events

Miami Diaper Bank has evaluated events subsequent to December 31st, 2022, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through March 17th, 2023 the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION



RLMolina, LLC

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Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

To the Board of Directors
Miami Diaper Bank, Inc.
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Miami Diaper Bank, Inc., ("Miami Diaper Bank") which comprise the accompanying statement of financial position as of December 31st, 2022, and the related statements of operations and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 17th, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Miami Diaper Bank's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Miami Diaper Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of the Miami Diaper Bank's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Miami Diaper Bank's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Independent Auditor's Report (Cont'd.)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Miami Diaper Bank 's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

RLMolina, LLC

March 17th, 2023
Hollywood, Florida



RLMolina, LLC

Certified Public Accountants & Business Advisors

MIAMI DIAPER BANK, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31ST, 2022

Section I - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There were no findings identified during the audit for the year ended December 31st, 2022.

Section II - Financial Statements Finding of Prior Audit Findings

No findings noted.

Section III - Management Letter

No management letter was issued.