

HIS HOUSE, INC.

**INDEPENDENT AUDITOR'S REPORT,
FINANCIAL STATEMENTS &
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
JUNE 30, 2019**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT.....	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position.....	3
Statement of Activities and Changes in Net Assets.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7-11
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards.....	12
Notes to the Schedule of Expenditures of Federal Awards.....	13
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14-15
Independent Auditor’s Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	16-18
Schedule of Findings and Questioned Costs.....	19-20



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
His House, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of His House, Inc., (the "Organization"), which comprise the statements of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of His House, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2019, on our consideration of the Organization's internal control over financial reporting and on our test 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 and 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 the Organization's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 10, 2019

HIS HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services					Supporting Services			
	Unaccompanied Alien Children Program	Licensing	Residential	Clinical	Sub-Total	Fundraising	General and Administrative	Facility	Total
Salaries, benefits, and taxes	\$ 7,581,475	\$ 337,251	\$ 3,470,808	\$ 141,783	\$ 11,531,317	\$ 300,719	\$ 1,002,691	\$ 396,085	\$ 13,230,812
Occupancy	425,134	6,888	264,832	9,309	706,163	7,902	34,878	46,567	795,510
Dental care expenses	375,111	52,521	207,673	-	635,305	17,647	170	6,652	659,774
Food and supplies	421,488	2,282	257,168	222	681,160	5,565	595	-	687,320
Host family subsidies	-	125,128	-	-	125,128	-	-	-	125,128
Client related travel	370,171	-	-	-	370,171	-	200	-	370,371
Insurance	93,929	817	98,783	2,015	195,544	3,845	14,217	14,408	228,014
Office supplies and expenses	116,710	4,528	34,537	9,687	165,462	16,834	52,232	6,051	240,579
Printing and postage	60,591	1,850	1,980	35	64,456	25,549	7,708	16	97,729
Repairs and maintenance	198,870	1,493	109,996	3,451	313,810	3,383	39,542	36,293	393,028
Telephone and communications	109,844	6,300	19,481	995	136,620	3,757	16,755	4,010	161,142
Vehicle expense	193,411	6,632	130,115	-	330,158	4,249	2,974	5,885	343,266
Donated goods	45	-	-	-	45	390,268	-	-	390,313
Other expenses	73,844	745	13,200	304	88,093	18,936	7,896	235	115,160
Professional fees	152,254	16,203	86,409	10,957	265,823	91,323	103,503	7,019	467,668
Depreciation	574	-	581	-	1,155	11	-	-	1,166
Total expenses	\$ 10,173,451	\$ 562,638	\$ 4,695,563	\$ 178,758	15,610,410	\$ 889,988	\$ 1,283,361	\$ 523,221	\$ 18,306,980

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

HIS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – ORGANIZATION

Organization

His House, Inc. (the "Organization") is a not-for-profit Florida Corporation incorporated in 1989. The purposes of the Organization are to provide an immediate, safe, home-like atmosphere for abused, neglected and drug exposed children; and to recruit, train, cultivate and retain foster parents in the South Florida areas. The Organization's operations are principally funded by contracts from federal and state government agencies, program service fees, and donations.

The Organization was recognized by the Internal Revenue Service as a 501(c)(3) on September 13, 1990, and thereby it qualifies as a tax-exempt Organization.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly. The new standard changes the following aspects of the Organization's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called *net assets with donor restrictions*.
- The unrestricted net asset class has been renamed *net assets without donor restrictions*.
- The financial statements include a new disclosure about liquidity and availability of resources.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require leases to be recorded as an asset on the balance sheet for the right to use the leased asset and a liability for the corresponding lease obligation for leases with terms of more than twelve months. ASU 2016-02 is effective for non-public companies for fiscal years beginning after December 15, 2020, with early adoption permitted. The Organization is evaluating the impact the pronouncement may have on the financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers: Topic 606: Deferral of Effective Date*. This standard delays the effective date for non-public entities to fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization is evaluating the impact the pronouncement may have on the financial statements.

HIS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
New Accounting Pronouncements (Continued)

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, with the stated purpose of providing guidance in evaluating whether transactions should be accounted for as contributions or exchanges. In addition, the update introduces the concept of barriers in providing additional guidance on identifying conditions that would preclude the recognition of a contribution as revenue. The standard is effective for fiscal years beginning after December 15, 2018, and should be applied on a modified prospective basis, with early adoption permitted. The Organization is evaluating the impact the pronouncement may have on the financial statements.

Basis of Presentation

The Organization prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and with standards established by the Financial Accounting Standards Board (“FASB”) for external financial reporting by not-for-profit organizations. Accordingly, the Organization’s resources are classified and reported based upon the existence or absence of donor-imposed restrictions, as follows:

Net assets without donor restriction – include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transactions (except income and gains on assets that are restricted by donors or by law) are included in the net assets without donor restriction class.

Net assets with donor restriction – include those net assets whose use by the Organization has been limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with the investment return available for operations. Net assets with donor restrictions totaled \$0 as of June 30, 2019.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated are personnel expenses, which are allocated on the basis of estimates of time and effort; facilities and interest expenses and depreciation, which are allocated on a weighted-average square footage basis; and supplies and contracted services, which are allocated based on actual expenses incurred for each function.

Cash and Cash Equivalents

The Organization considers all highly liquid investments that have an original maturity of three months or less as cash equivalents. The Organization maintains its cash in bank deposit accounts. These deposits may exceed the amount of insurance provided on such deposits; generally these deposits may be redeemed upon demand and; therefore, bear minimal risk.

HIS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture and Equipment, net

Purchases of furniture and equipment in excess of \$5,000 or more (or fair value if contributed) and an estimated useful life of more than one year are capitalized. Depreciation is calculated using the straight-line method over the estimated useful life of the assets or lease terms, whichever is shorter. The estimated useful lives used to compute depreciation range from 3 to 10 years. Donated property and equipment are recorded at their estimated fair value at the date of donation.

Cost of major additions and improvements that extend the life of the asset are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Impairment of Long-Lived Assets

The Organization reviews its leasehold improvements and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the leasehold improvements and equipment are less than its carrying amount, management compares the carrying amount of the asset to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss, if any, is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended June 30, 2019.

Recognition of Revenues and Support

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

Receivables are recognized as revenues in the period received and are recorded at their fair value. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on the Organization's experience with third party contacts and other circumstances which may affect the ability of clients to meet their obligations. The allowance for contributions is based on prior years' experience and management's analysis of specific promises made.

Contributions received as well as collectible unconditional promises to give are recognized in the period received. Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted revenues. Temporarily restricted net assets are reclassified to unrestricted net assets when the donor restrictions are satisfied.

In-kind Contributions

In-kind contributions are recorded as revenue and expense in the accompanying statement of activities. In-kind contributions of donated non-cash assets are recorded at their fair value in the period received. They consist primarily of donated food, furniture, clothing, and supplies. Donated equipment, when applicable, is capitalized at its estimated fair value at the date of donation and depreciated over the estimated useful life of the asset. Donated services are recorded at their fair value in the period received. During the year ended June 30, 2019, the Organization received donated food, clothing and supplies in the amount of \$390,268.

HIS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Contributions (continued)

No amounts have been reflected in the financial statements for donated services which did not; (a) create or enhance non-financial assets or (b) require specialized skills provided by individuals possessing such skills and which would have been purchased if not provided by donation. However, a substantial number of volunteers have donated significant amounts of their time to the Organization.

Managements Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at June 30, 2019 and the reported amounts of revenue and expenses during the year then ended. Actual results could differ from those estimates.

Income Taxes

As a nonprofit Organization, His House, Inc. is not subject to taxes on income pursuant to Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is required for the Organization as of June 30, 2019.

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Organization does not believe its financial statements include any uncertain tax positions. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2016.

Subsequent Events

Management has evaluated subsequent events through December 10, 2019, the date which the financial statements were available for issue.

NOTE 3 – GRANTS AND CONTRACTS RECEIVABLE

The Organization works under contract with Childnet, providing the Organization licensed foster families for Childnet children placements. The contract was for the period July 2018 to June 2019. In addition, there is an agreement with Our Kids, Inc. to provide licensed foster facilities for child placements. Contracts receivable results from services provided to Childnet and Our Kids, Inc. Periodically, management reviews contracts receivable and adjusts the allowance based on current circumstances and charges off uncollectible receivables when all attempts to collect have failed. As of June 30, 2019, the allowance for doubtful accounts was \$33,557.

NOTE 4 - FURNITURE AND EQUIPMENT, NET

Furniture and equipment, net at June 30, 2019 are summarized as follows:

Autos and Trucks	\$ 274,897
Furniture and fixtures	10,500
Computer and office equipment	146,413
Total property and equipment	<u>431,810</u>
Less: accumulated depreciation	<u>(424,410)</u>
Property and equipment, net	<u>\$ 7,400</u>

HIS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 5 – LEASE COMMITMENTS

His House, Inc. signed an agreement with Miami-Dade County for use of buildings at the Community of Landmark for a one year term from October 1, 2005 to September 30, 2006, with a one year optional renewal. The lease has been renewed every year since, with a one year optional renewal. The lease became renewable on a monthly basis in May of 2016.

Total rent expense paid to Miami-Dade County for the period ended June 30, 2019 amounted to \$795,511.

The Organization also leases several vehicles and copiers under agreements that will expire in 2021.

Future minimum payments due under these agreements are as follows at June 30, 2019:

2020	\$	16,268
2021		7,035
		<u>23,303</u>
	\$	<u>23,303</u>

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The Organization receives all of its funding from private donations, government contracts and other not for profit Organizations. A significant reduction in the level of this funding, if it were to occur, would have a significant effect on the Organization's ability to carry out its programs and activities. Expenses reflected in the accompanying financial statements relating to government funded programs are subject to audit by the respective funding sources. The possible disallowance by the related agency of any item charged to a program cannot be determined at this time. No provision for any liability that may result has been made in the financial statements.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$3,133,177 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash of \$1,542,117 and receivables of \$1,591,060. None of these available financial assets are subject to donor restrictions. However, the receivables are to be used for specific programs in the year 2019. The Organization monitors its liquidity in an effort to meet its operating needs and other contractual commitments while maximizing the investment of any excess operating cash.

SUPPLEMENTARY INFORMATION

HIS HOUSE, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal Awards (the "Schedules") present the federal awards assistance project activity of His House, Inc. (the "Organization") under programs of the federal government for the year ended June 30, 2018. The information in these Schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedules present only a selected portion of the Organization, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the Organization.

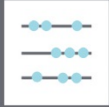
The Organization had no federally funded insurance programs or loan guarantees during the year ended June 30, 2019.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Organization has elected not to use the ten percent de minimus indirect cost rate allowed under the Uniform Guidance.



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*

The Board of Directors
His House, Inc.
Miami, Florida

We have audited, 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, the financial statements of His House, Inc., (the "Organization") (a nonprofit Organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a 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 result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

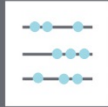
Purpose of this Report

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

A handwritten signature in cursive script that reads "Verdepin DeArmas Trujillo".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 10, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

The Board of Directors
His House, Inc.
Miami, Florida

Report on Compliance for Each Major Federal Program

We have audited the His House, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Organization's major federal programs for the year ended June 30, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards 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 or state project, occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Verónica De Armas Trujillo". The signature is written in a cursive style with a dot over the 'i' in Trujillo.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 10, 2019

HIS HOUSE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported
- Non-compliance material to financial statements noted? yes no

Federal Programs

Type of auditor's report issued on compliance for major programs: *Unmodified*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

Identification of major programs:

<u>Federal Program or Cluster</u>	<u>CFDA Number</u>	<u>Amount</u>
Unaccompanied Alien Children Program	93.676	\$11,715,478
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	

HIS HOUSE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2019

SECTION II - FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards (GAGAS).

SECTION III - FINDINGS - FEDERAL FINDINGS AND QUESTIONS COSTS

There were no findings and questioned costs for Federal awards as defined In 2 CFR 200.516 (c) of the Uniform Guidance that were required to be reported.