

**ADULTS MANKIND ORGANIZATION, INC.**

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FINANCIAL STATEMENTS, SINGLE AUDIT  
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2014 AND 2013



**ADULTS MANKIND ORGANIZATION, INC.**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Adults Mankind Organization, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Adults Mankind Organization, Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits 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 Adults Mankind Organization, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, Rules of the Auditor General of the State of Florida, 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 as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2015, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Monison, Brown, Ariz & Fana*

Miami, Florida  
June 5, 2015

**ADULTS MANKIND ORGANIZATION, INC.**

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STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31,

<b>ASSETS</b>	<b>2014</b>	<b>2013</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 451,743	\$ 157,646
Grants and contracts receivable	348,479	616,862
Prepaid expenses	<u>5,113</u>	<u>4,021</u>
TOTAL CURRENT ASSETS	805,335	778,529
EQUIPMENT, NET	1,888	2,517
OTHER ASSETS	<u>13,573</u>	<u>13,573</u>
TOTAL ASSETS	<b><u>\$ 820,796</u></b>	<b><u>\$ 794,619</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 155,806</u>	<u>\$ 105,671</u>
TOTAL CURRENT LIABILITIES	155,806	105,671
NET ASSETS, UNRESTRICTED	<u>664,990</u>	<u>688,948</u>
TOTAL LIABILITIES AND NET ASSETS	<b><u>\$ 820,796</u></b>	<b><u>\$ 794,619</u></b>

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

**ADULTS MANKIND ORGANIZATION, INC.**

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31,

	<b>2014</b>	<b>2013</b>
UNRESTRICTED NET ASSETS:		
REVENUES		
Federal awards	\$ 2,978,407	\$ 3,114,358
State financial assistance	950,000	947,275
County and local grants	552,030	551,633
TOTAL REVENUES	<u>4,480,437</u>	<u>4,613,266</u>
EXPENSES		
Program services:		
Local workforce development	207,904	205,633
Youth prevention programs	186,053	152,899
Out of school camps	146,901	141,737
State youth programs	806,072	851,695
WIA youth program	953,662	1,154,635
Refugee employment	1,731,704	1,464,883
Management and general	472,099	438,611
TOTAL EXPENSES	<u>4,504,395</u>	<u>4,410,093</u>
CHANGE IN UNRESTRICTED NET ASSETS	(23,958)	203,173
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	<u>688,948</u>	<u>485,775</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$ 664,990</u>	<u>\$ 688,948</u>

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

**ADULTS MANKIND ORGANIZATION, INC.**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services							
	Local Workforce Development	Youth Prevention Programs	Out of School Camps	State Youth Programs	WIA Youth Program	Refugee Employment	Management and General	Total
PERSONNEL COSTS								
Salaries	\$ 142,137	\$ 58,135	\$ 53,861	\$ 469,599	\$ 631,879	\$ 1,115,467	\$ 298,953	\$ 2,770,031
Payroll taxes and other personnel costs	34,158	11,454	7,183	139,706	163,922	277,651	76,692	710,766
Total personnel costs	176,295	69,589	61,044	609,305	795,801	1,393,118	375,645	3,480,797
OPERATING EXPENSES								
Equipment costs, maintenance and rent	3,938	2,041	319	13,329	13,425	26,327	-	59,379
Occupancy	10,251	-	24,063	13,085	31,811	159,372	2,142	240,724
Professional fees	-	1,625	1,625	-	-	-	27,250	30,500
Subcontract services	-	78,151	37,211	-	600	-	9,426	125,388
Insurance	489	434	342	1,895	2,243	4,072	1,053	10,528
Communications	7,748	942	4,568	16,783	24,833	22,377	455	77,706
Office supplies and services	9,183	5,168	11,498	8,063	13,397	29,682	12,628	89,619
Settlement	-	-	-	-	-	-	43,500	43,500
Support services	-	28,103	6,231	143,612	71,552	96,756	-	346,254
Total expenses	\$ 207,904	\$ 186,053	\$ 146,901	\$ 806,072	\$ 953,662	\$ 1,731,704	\$ 472,099	\$ 4,504,395

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

**ADULTS MANKIND ORGANIZATION, INC.**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<b>Program Services</b>							
	<u>Local Workforce Development</u>	<u>Youth Prevention Programs</u>	<u>Out of School Camps</u>	<u>State Youth Programs</u>	<u>WIA Youth Program</u>	<u>Refugee Employment</u>	<u>Management and General</u>	<u>Total</u>
<b>PERSONNEL COSTS</b>								
Salaries	\$ 139,707	\$ 64,264	\$ 53,912	\$ 491,447	\$ 755,071	\$ 897,473	\$ 311,305	\$ 2,713,179
Payroll taxes and other personnel costs	30,140	10,120	6,805	131,639	175,105	225,443	77,995	657,247
Total personnel costs	169,847	74,384	60,717	623,086	930,176	1,122,916	389,300	3,370,426
<b>OPERATING EXPENSES</b>								
Equipment costs, maintenance and rent	4,127	1,853	-	8,023	16,708	18,896	629	50,236
Occupancy	16,802	-	24,248	25,744	33,913	150,012	1,869	252,588
Professional fees	-	1,625	1,625	-	-	-	15,300	18,550
Subcontract services	300	61,892	34,723	600	17,044	-	16,153	130,712
Insurance	353	263	243	1,463	2,796	3,374	942	9,434
Communications	7,075	453	4,161	31,717	25,015	26,872	663	95,956
Office supplies and services	7,129	1,908	10,403	13,649	13,655	25,346	13,755	85,845
Support services	-	10,521	5,617	147,413	115,328	117,467	-	396,346
Total expenses	<b>\$ 205,633</b>	<b>\$ 152,899</b>	<b>\$ 141,737</b>	<b>\$ 851,695</b>	<b>\$ 1,154,635</b>	<b>\$ 1,464,883</b>	<b>\$ 438,611</b>	<b>\$ 4,410,093</b>

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



**ADULTS MANKIND ORGANIZATION, INC.**

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,

	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in unrestricted net assets	\$ (23,958)	\$ 203,173
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation	629	629
Changes in operating assets and liabilities:		
Grants and contracts receivable	268,383	(35,884)
Prepaid expenses	(1,092)	3,170
Other assets	-	(2,572)
Accounts payable and accrued expenses	50,135	(2,536)
TOTAL ADJUSTMENTS	318,055	(37,193)
NET CASH PROVIDED BY OPERATING ACTIVITIES	294,097	165,980
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment	-	(3,146)
NET CASH USED IN INVESTING ACTIVITIES	-	(3,146)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayments on line of credit	-	(567,117)
Proceeds from line of credit	-	467,117
NET CASH USED IN FINANCING ACTIVITIES	-	(100,000)
NET INCREASE IN CASH	294,097	62,834
CASH - BEGINNING OF YEAR	157,646	94,812
CASH - END OF YEAR	\$ 451,743	\$ 157,646
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	\$ -	\$ 971

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

# ADULTS MANKIND ORGANIZATION, INC.

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## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 1. ORGANIZATION

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Adults Mankind Organization, Inc. (the "Organization") is a Florida Not-For-Profit Corporation established in 1986. Through a variety of federal, state and local agency funded grants and contracts, the Organization offers job related support services including vocational training, job training, counseling, assessment, guidance, case management, and employment services to eligible participants. Additionally, the agency provides out of school camps to youth. Eligible participants include economically disadvantaged and at-risk youths, adults, dislocated workers, and refugees.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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

Temporarily Restricted – Net assets where the use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations. There were no temporarily restricted net assets as of December 31, 2014 and 2013.

Permanently Restricted – Net assets where the use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. There were no permanently restricted net assets as of December 31, 2014 and 2013.

#### **Risk and Uncertainties**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits in excess of the Federal Deposit Insurance Corporation ("FDIC") insured limits and grants and contracts receivable. The Organization limits its exposure by placing its deposits with quality financial institutions. At times, such balances may be in excess of the insurance limits of the FDIC. The Organization has not experienced losses in such accounts.

Grants and contracts receivable credit risk is limited due to the nature of the grants and contracts. The Organization regularly monitors its grants and contracts receivable by investigating delayed payments and differences when payments received do not conform to the amount billed. The Organization considers all grants and contracts as collectible.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# ADULTS MANKIND ORGANIZATION, INC.

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## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2014 AND 2013

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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#### **Cash Equivalents**

For the purpose of reporting cash flows, the Organization considers unrestricted money market funds and debt securities purchased with a maturity of ninety days or less to be cash equivalents. There were no cash equivalents at December 31, 2014 and 2013.

#### **Equipment, Net**

Equipment is recorded at cost. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. Repairs and maintenance costs are expensed as incurred. When items are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any resulting gains or losses are credited or charged to operations. The Organization capitalizes all purchases of equipment in excess of \$750. Capitalizable assets purchased with grant funds in which the grantor retains title of the asset are not recorded in the Organization's financial statements.

#### **Grants and Contract Revenues**

The Organization receives substantially all of its grants and contract revenues from federal, state and local agencies. Revenues from federal, state and local agency grants and contracts are recorded based upon terms of the grant agreements which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred or the allowable services are provided to program participants.

Grant and contracts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is based on management's review of the collectability of receivables. No allowance for doubtful accounts were considered necessary as of December 31, 2014 and 2013.

Two grantors accounted for 79% and 94% of grants and contracts receivable at December 31, 2014 and 2013, respectively. The two largest grantors accounted for 87% and 88% of total revenues for the years ended December 31, 2014 and 2013, respectively. The loss of these funding sources could have an adverse impact on the Organization.

Any funding source may, at its discretion, request return of funds as a result of non-compliance with the terms of the grants. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

#### **Functional Expenses**

The cost of providing the various services and other activities has been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been charged to program services or supporting services based on a combination of specific identification and allocation by management.

#### **Income Taxes**

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for income taxes has been recorded. Management has determined that there were no unrelated business income for the years ended December 31, 2014 and 2013.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction is the major tax jurisdiction where the Organization files informational tax returns. The Organization is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2011.

**ADULTS MANKIND ORGANIZATION, INC.**

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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**Adopted Accounting Pronouncement**

Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows

In October 2012, the Financial Accounting Standards Board ("FASB") issued an accounting standard update which provides guidance to not-for-profit entities for classifying cash flows from the sale of donated financial assets. The update is effective prospectively for fiscal years, and interim periods within those years, beginning after June 15, 2013, with early adoption and retrospective application permitted. The adoption of this update did not have a material effect on the financial statements.

**Subsequent Events**

The Organization has evaluated subsequent events through June 5, 2015, which is the date the financial statements were available to be issued.

**3. GRANTS AND CONTRACTS RECEIVABLE**

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Grants and contracts receivable consist of the following at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
South Florida Workforce Investment Board	\$ 233,543	\$ 559,596
The Children's Trust	42,223	19,741
Other	72,713	37,525
Total	<u>\$ 348,479</u>	<u>\$ 616,862</u>

**4. EQUIPMENT, NET**

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Equipment, net, consists of the following at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Equipment	\$ 9,856	\$ 9,856
Less: accumulated depreciation	(7,968)	(7,339)
	<u>\$ 1,888</u>	<u>\$ 2,517</u>

Depreciation expense for the years ended December 31, 2014 and 2013 totaled \$629 and \$629, respectively.

**5. REVOLVING LINE OF CREDIT**

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In January 2013, the Organization obtained a revolving line of credit with a maximum borrowing capacity of \$100,000. The line bears interest at the prime rate plus 2.75%, which was 6% at December 31, 2014 and 2013. The line of credit is unsecured. The line of credit matures in January 2016. There was no amount outstanding at December 31, 2014 and 2013. There was no interest expense for the year ended December 31, 2014. Total interest expense for the year ended December 31, 2013 was \$971.

**6. RETIREMENT PLAN**

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The Organization sponsors a Simple IRA Plan covering all employees who elect to participate. Under the plan, the Organization contributes the lesser of 3% of the participant's wages or the participant's contribution. The Organization's contribution for the years ended December 31, 2014 and 2013 were \$29,850 and \$29,640, respectively.

**ADULTS MANKIND ORGANIZATION, INC.**

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013

**7. COMMITMENTS AND CONTINGENCIES**

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**Operating Leases**

The Organization leases operating facilities which expire at various dates through April 2017. Rent expense for the years ended December 31, 2014 and 2013 were approximately \$196,000 and \$205,000, respectively.

The Organization also leases office equipment under non-cancelable leases. Rent expense under these operating leases were approximately \$35,000 and \$31,000, respectively for the years ended December 31, 2014 and 2013.

The approximate minimum future rental commitments are as follows for the years ending December 31:

2015	\$	198,600
2016		197,500
2017		<u>48,700</u>
	\$	<u><b>444,800</b></u>

**Litigation**

The Organization may be involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Organization's financial statements or results of operations.

**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  
Adults Mankind Organization, Inc.

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 Adults Mankind Organization, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, 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 June 5, 2015.

**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 audit 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 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. 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 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*.

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 on compliance. This 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.



Miami, Florida  
June 5, 2015

SINGLE AUDIT REPORT AND SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Directors  
Adults Mankind Organization, Inc.

**Report on Compliance for Each Major Federal Program and Major State Project**

We have audited Adults Mankind Organization, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and Chapter 10.650, Rules of the Auditor General of the State of Florida that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended December 31, 2014. The Organization's major federal programs and state projects 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 and state projects.

**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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General of the State of Florida. Those standards, OMB Circular A-133 and Chapter 10.650 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 and state project. However, our audit does not provide a legal determination of the Organization's compliance.

**Opinion on Each Major Federal Program and Major State Project**

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 and state projects for the year ended December 31, 2014.



### 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 and state project 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 state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, 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 or state project 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 or state project 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 or state project 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 OMB Circular A-133 and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

*Monison, Brown, Aigiz & Fana*

Miami, Florida  
June 5, 2015

**ADULTS MANKIND ORGANIZATION, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>Federal/ State Agency/ Pass-through Entity</u>	<u>CFDA/ CSFA Number</u>	<u>Contract Award Number</u>	<u>Expenditures</u>
<u>Federal Programs:</u>			
Department of Health and Human Services			
Passed Through State of Florida to South Florida Workforce Investment Board			
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584	RET-DP-PY'13-01-00	\$ 448,456
Refugee and Entrant Assistance - Discretionary Grants	93.576	RET-DP-PY'13-01-00	10,706
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584	RET-DP-PY'13-01-2-02	926,482
Refugee and Entrant Assistance - Discretionary Grants	93.576	RET-DP-PY'13-01-2-02	22,569
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584	RET-DP-PY'14-01-00	481,680
Refugee and Entrant Assistance - Discretionary Grants	93.576	RET-DP-PY'14-01-00	11,251
			<hr/>
Total Department of Health and Human Services			1,901,144
			<hr/>
Department of Labor			
Passed Through State of Florida to South Florida Workforce Investment Board			
WIA Youth Activities (In School Youth)	17.259	WS-YS-ISY-PY'14-08-00	215,261
WIA Youth Activities (In School Youth)	17.259	WS-YS-ISY-PY'13-08-00	282,610
WIA Youth Activities (Out of School Youth)	17.259	WS-YS-OSY-PY'14-08-00	224,072
WIA Youth Activities (Out of School Youth)	17.259	WS-YS-OSY-PY'13-08-00	333,480
			<hr/>
Total Department of Labor			1,055,423
			<hr/>
Department of Housing and Urban Development			
Passed Through State of Florida to Miami Dade County - Office of Economic Development			
Community Development Block Grants/Entitlement Grants	14.218	R-796-14	21,840
			<hr/>
Total Department of Housing and Urban Development			21,840
			<hr/>
Total Expenditures of Federal Awards			2,978,407
			<hr/>
<u>State Projects:</u>			
State of Florida Department of Legal Affairs and Attorney General			
Minority Communities Crime Prevention Program - Adult Mankind Organization	41.007	K03423	490,833
Minority Communities Crime Prevention Program - Adult Mankind Organization	41.007	K03054	459,167
			<hr/>
Total State of Florida Department of Legal Affairs and Attorney General			950,000
			<hr/>
Total Expenditures of State Financial Assistance			950,000
			<hr/>
Total Expenditures of Federal Awards and State Financial Assistance			\$ 3,928,407
			<hr/>

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

**ADULTS MANKIND ORGANIZATION, INC.**

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NOTES TO SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014

**1. GENERAL**

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The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance presents the activity of all federal and state grants of Adults Mankind Organization, Inc. during the year ended December 31, 2014.

**2. BASIS OF ACCOUNTING**

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The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the accrual basis of accounting.

**3. BASIS OF PRESENTATION**

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The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented in accordance with the requirements of OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General of the State of Florida.

**ADULTS MANKIND ORGANIZATION, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

**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  X  No

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

Federal Awards and State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 and Chapter 10.650? \_\_\_\_\_ Yes  X  No

Identification of major federal programs and state projects:

<u>CFDA/CSFA Number</u>	<u>Name of Federal Program or State Project</u>
93.584, 93.576	Refugee and Entrant Assistance - Targeted Assistance Grants
41.007	Minority Communities Crime Prevention Program - Adult Mankind Organization

Dollar threshold used to distinguish between Type A and Type B programs/projects:

Federal Programs	\$ 300,000
State Projects	\$ 285,000

Auditee qualified as low-risk auditee?  X  Yes \_\_\_\_\_ No

**ADULTS MANKIND ORGANIZATION, INC.**

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2014

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

CURRENT YEAR FINDINGS

None.

PRIOR YEAR FINDINGS

None.

**SECTION III – FEDERAL AWARD AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

CURRENT YEAR FINDINGS

None.

PRIOR YEAR FINDINGS

None.

**SECTION IV – OTHER ISSUES**

A management letter is not required as there were no findings required to be reported in the management letter related to Federal Awards and State Projects.