

**ADULTS MANKIND ORGANIZATION, INC.**

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FINANCIAL STATEMENTS, SINGLE AUDIT  
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2016 AND 2015



## **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, 2016 and 2015, 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 audits. 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 audits 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, 2016 and 2015, 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 audits were 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 is presented for purposes of additional analysis as required by the audit 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) and Chapter 10.650, Rules of the Auditor General of the State of Florida 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 audits 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 Schedule of Expenditures of Federal Awards and State Financial Assistance 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 15, 2017, 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 15, 2017

**ADULTS MANKIND ORGANIZATION, INC.**

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STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31,

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
<b>CURRENT ASSETS:</b>		
Cash	\$ 27,536	\$ 118,277
Grants and contracts receivable	856,863	720,743
Prepaid expenses	150	2,447
TOTAL CURRENT ASSETS	884,549	841,467
EQUIPMENT, NET	630	1,259
OTHER ASSETS	13,865	13,573
TOTAL ASSETS	<b>\$ 899,044</b>	<b>\$ 856,299</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 131,336	\$ 132,180
Line of credit payable	59,505	-
TOTAL CURRENT LIABILITIES	190,841	132,180
NET ASSETS, UNRESTRICTED	708,203	724,119
TOTAL LIABILITIES AND NET ASSETS	<b>\$ 899,044</b>	<b>\$ 856,299</b>

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

**ADULTS MANKIND ORGANIZATION, INC.**

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STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31,

	<b>2016</b>	<b>2015</b>
CHANGES IN UNRESTRICTED NET ASSETS:		
REVENUES		
Federal awards	\$ 2,649,461	\$ 2,928,218
State financial assistance	950,000	1,037,083
County and local grants	<u>575,281</u>	<u>513,670</u>
TOTAL REVENUES	<u>4,174,742</u>	<u>4,478,971</u>
EXPENSES		
Program services:		
Local workforce development	181,225	183,759
Youth prevention programs	154,582	152,330
Out of school camps	212,878	152,207
State youth programs	884,768	847,613
WIA youth program	686,872	945,484
Refugee employment	1,690,447	1,759,348
Management and general	<u>379,886</u>	<u>379,101</u>
TOTAL EXPENSES	<u>4,190,658</u>	<u>4,419,842</u>
NET (DECREASE) INCREASE IN NET ASSETS	(15,916)	59,129
NET ASSETS, BEGINNING OF YEAR	<u>724,119</u>	<u>664,990</u>
NET ASSETS, END OF YEAR	<u><b>\$ 708,203</b></u>	<u><b>\$ 724,119</b></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, 2016

	Program Services						Management and General	Total
	Local Workforce Development	Youth Prevention Programs	Out of School Camps	State Youth Programs	WIA Youth Program	Refugee Employment		
<b>PERSONNEL COSTS</b>								
Salaries	\$ 126,149	\$ 58,604	\$ 53,105	\$ 527,720	\$ 477,465	\$ 1,103,474	\$ 253,053	\$ 2,599,570
Payroll taxes and other personnel costs	34,000	7,244	9,118	160,093	133,506	307,833	73,360	725,154
Total personnel costs	160,149	65,848	62,223	687,813	610,971	1,411,307	326,413	3,324,724
<b>OPERATING EXPENSES</b>								
Equipment costs, maintenance and rent	1,650	1,243	1,003	5,099	1,959	21,103	1,928	33,985
Occupancy	9,230	29,951	392	24,908	18,332	175,224	5,452	263,489
Professional fees	-	-	-	-	-	-	26,565	26,565
Subcontract services	-	35,829	74,347	-	-	-	-	110,176
Insurance	640	546	752	2,903	2,427	5,972	1,719	14,959
Communications	6,439	4,086	1,734	17,905	14,960	31,350	2,734	79,208
Office supplies and services	3,117	6,006	1,801	3,071	10,372	27,941	14,499	66,807
Interest	-	-	-	-	-	-	576	576
Support services	-	11,073	70,626	143,069	27,851	17,550	-	270,169
Total expenses	\$ 181,225	\$ 154,582	\$ 212,878	\$ 884,768	\$ 686,872	\$ 1,690,447	\$ 379,886	\$ 4,190,658

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, 2015

	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	\$ 126,135	\$ 52,150	\$ 54,627	\$ 509,979	\$ 569,922	\$ 1,121,784	\$ 248,338	\$ 2,682,935
Payroll taxes and other personnel costs	32,818	9,064	6,880	149,012	153,431	304,458	75,575	731,238
Total personnel costs	158,953	61,214	61,507	658,991	723,353	1,426,242	323,913	3,414,173
OPERATING EXPENSES								
Equipment costs, maintenance and rent	4,327	941	785	9,706	6,860	24,118	722	47,459
Occupancy	9,476	152	24,797	22,036	22,275	172,841	3,332	254,909
Professional fees	-	-	-	-	-	-	36,837	36,837
Subcontract services	-	75,130	36,867	-	-	-	-	111,997
Insurance	389	262	323	1,796	2,004	3,728	945	9,447
Communications	8,076	1,618	5,711	22,106	19,369	30,695	1,537	89,112
Office supplies and services	2,538	2,276	10,625	5,506	20,431	27,861	11,815	81,052
Support services	-	10,737	11,592	127,472	151,192	73,863	-	374,856
Total expenses	\$ 183,759	\$ 152,330	\$ 152,207	\$ 847,613	\$ 945,484	\$ 1,759,348	\$ 379,101	\$ 4,419,842

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



**ADULTS MANKIND ORGANIZATION, INC.**

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STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in unrestricted net assets	\$ (15,916)	\$ 59,129
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities:		
Depreciation	629	629
Changes in operating assets and liabilities:		
Grants and contracts receivable	(136,120)	(372,264)
Prepaid expenses	2,297	2,666
Other assets	(292)	-
Accounts payable and accrued expenses	(844)	(23,626)
TOTAL ADJUSTMENTS	(134,330)	(392,595)
NET CASH USED IN OPERATING ACTIVITIES	(150,246)	(333,466)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from line of credit	387,406	-
Repayments on line of credit	(327,901)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	59,505	-
NET DECREASE IN CASH	(90,741)	(333,466)
CASH - BEGINNING OF YEAR	118,277	451,743
CASH - END OF YEAR	<b>\$ 27,536</b>	<b>\$ 118,277</b>

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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Interest paid	\$ 576	\$ -
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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, 2016 AND 2015

### 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 Accounting and 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, 2016 and 2015.

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, 2016 and 2015.

#### **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, 2016 AND 2015

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

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#### **Cash and 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, 2016 and 2015.

#### **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.

#### **Grant and Contract Revenues and Receivables**

The Organization receives substantially all of its grant 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 was considered necessary as of December 31, 2016 and 2015.

Two grantors accounted for 92% and 86% of grants and contracts receivable at December 31, 2016 and 2015, respectively. The two largest grantors accounted for 86% and 88% of total revenues for the years ended December 31, 2016 and 2015, 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 was no unrelated business income for the years ended December 31, 2016 and 2015.

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 2013.

# ADULTS MANKIND ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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

### Recent Accounting Pronouncements

#### Presentation of Financial Statements of Not-for-Profit Entities

In August 2016, the Financial Accounting Standards Board (“FASB”) issued an accounting standard update which aims to improve information provided to creditors, donors, grantors, and others while also reducing complexity and costs. The update is the first phase of a project regarding not-for-profits which aims to improve and simplify net asset classification requirements and improve the information presented and disclosed in financial statements about liquidity, cash flows, and financial performance. The update is effective retrospectively for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018, with earlier application permitted. The Organization is currently evaluating the effect the update will have on its financial statements.

#### Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued an accounting standards update to reduce diversity in practice on eight specific statement of cash flows issues. The update is effective retrospectively for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the effect the update will have on its financial statements.

#### Lease accounting

In February 2016, the FASB issued an accounting standard update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. The Organization is currently evaluating the effect the update will have on its financial statements but expects upon adoption that the update will have a material effect on the Organization’s financial condition due to the recognition of a right-of-use asset and related lease liability. The Organization does not anticipate the update having a material effect on the Organization’s results of operations or cash flows, though such an effect is possible. The update is effective using a modified retrospective approach for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020, with early application permitted.

### Subsequent Events

The Organization has evaluated subsequent events through June 15, 2017, which is the date the financial statements were available to be issued.

## 3. GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of the following as of December 31:

	<u>2016</u>	<u>2015</u>
South Florida Workforce Investment Board	\$ 528,507	\$ 358,618
State of Florida	261,250	261,250
The Children’s Trust	16,405	18,711
Other	50,701	82,164
Total	<u>\$ 856,863</u>	<u>\$ 720,743</u>

# ADULTS MANKIND ORGANIZATION, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

### 4. EQUIPMENT, NET

Equipment, net, consists of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Equipment	\$ 8,811	\$ 9,856
Less: accumulated depreciation	<u>(8,181)</u>	<u>(8,597)</u>
	<u>\$ 630</u>	<u>\$ 1,259</u>

Depreciation expense for each of the years ended December 31, 2016 and 2015 totaled \$629, and is included within the caption Equipment costs, maintenance and rent on the statement of functional expenses as of the years ended December 31, 2016 and 2015, respectively.

### 5. REVOLVING LINE OF CREDIT

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 6.50% and 6.25% for the years ended December 31, 2016 and 2015, respectively. The line of credit is unsecured and matures in January 2018. At December 31, 2016, borrowings outstanding on the line of credit were approximately \$60,000. There was no outstanding balance on the line of credit at December 31, 2015. Interest expense for the year ended December 31, 2016, was approximately \$600. Subsequent to year end, the balance on the line of credit was paid in full.

### 6. RETIREMENT PLAN

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, 2016 and 2015 was \$30,230 and \$32,052, respectively.

### 7. COMMITMENTS AND CONTINGENCIES

#### Operating Leases

The Organization leases operating facilities under leases which expire at various dates through December 2021. Rent expense under these operating leases for the years ended December 31, 2016 and 2015 were approximately \$215,000 and \$214,000, respectively.

The Organization also leases office equipment under non-cancelable leases through March 2022. Rent expense under these operating leases was approximately \$25,000 and \$33,000, respectively, for the years ended December 31, 2016 and 2015.

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

2017	\$ 209,600
2018	215,700
2019	130,900
2020	133,500
2021	104,000
Thereafter	<u>10,000</u>
	<u>\$ 803,700</u>

#### Litigation

The Organization was not involved in any claims or legal actions arising in the ordinary course of business.

**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, 2016, 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 15, 2017.

**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.

*Morrison, Brown, Argiz & Farra*

Miami, Florida  
June 15, 2017

SINGLE AUDIT REPORT AND SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE 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 *U.S. Office of Management and Budget (OMB) 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, 2016. 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 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.650, Rules of the Auditor General of the State of Florida. Those standards, the Uniform Guidance 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, 2016.



### 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 the Uniform Guidance 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 the Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

*Monison, Brown, Aigiz & Fana*

Miami, Florida  
June 15, 2017

**ADULTS MANKIND ORGANIZATION, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Federal/ State Agency/ Pass-through Entity</u>	<u>CFDA/ CSFA Number</u>	<u>Contract Award Number</u>	<u>Passed Through to Subrecipients</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*15-01-00	\$ -	\$ 1,392,001
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584	RET-DP-PY*16-01-00	-	485,393
Total Department of Health and Human Services			-	1,877,394
Department of Labor				
Passed Through State of Florida to South Florida Workforce				
Investment Board				
WIA Cluster:				
WIA/WIAO Youth Activities (In School Youth)	17.259	WS-YS-ISY-PY*15-08-00	-	186,642
WIA/WIAO Youth Activities (In School Youth)	17.259	WS-YS-ISY-PY*16-08-00	-	137,436
WIA/WIAO Youth Activities (Out of School Youth)	17.259	WS-YS-OSY-PY*15-08-00	-	250,148
WIA/WIAO Youth Activities (Out of School Youth)	17.259	WS-YS-OSY-PY*16-08-00	-	182,841
Total WIA Cluster			-	757,067
Total Department of Labor			-	757,067
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-853-16	-	15,000
Total Department of Housing and Urban Development			-	15,000
Total Expenditures of Federal Awards			-	2,649,461
<u>State Projects:</u>				
State of Florida Department of Legal Affairs and Attorney General				
Minority Communities Crime Prevention Program - Adult				
Mankind Organization				
	41.007	K03750	-	403,750
Minority Communities Crime Prevention Program - Adult				
Mankind Organization				
	41.007	K03884	-	546,250
Total Expenditures of State Financial Assistance			-	950,000
Total Expenditures of Federal Awards and State Financial Assistance			\$ -	\$ 3,599,461

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, 2016

#### **1. GENERAL**

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The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance ("Schedule") presents the activity of all federal and state grants of Adults Mankind Organization, Inc. during the year ended December 31, 2016. All federal awards passed through from other governmental agencies and nonprofit agencies are included on the accompanying Schedule.

#### **2. BASIS OF ACCOUNTING**

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The accompanying Schedule is presented using the accrual basis of accounting. Federal award expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), wherein certain types of expenditures are not allowable or are limited as to reimbursement. State expenditures are recognized in accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida. The amounts reported in the Schedule as expenditures may differ from certain financial reports submitted to Federal funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

#### **3. BASIS OF PRESENTATION**

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The accompanying Schedule is presented in accordance with the requirements of Uniform Guidance and Chapter 10.650, Rules of the Auditor General of the State of Florida.

#### **4. SUB-RECIPIENTS**

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There were no Federal awards provided to sub recipients.

#### **5. INDIRECT COST RATE**

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Adults Mankind Organization, Inc. has not elected to use the de minimis indirect cost rate allowed under the Uniform Guidance during the year ended December 31, 2016.

**ADULTS MANKIND ORGANIZATION, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**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 Uniform Guidance 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	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	\$ 750,000
State Projects	\$ 285,000

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

**ADULTS MANKIND ORGANIZATION, INC.**

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2016

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

CURRENT YEAR FINDINGS

None.

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

CURRENT 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.

**ADULTS MANKIND ORGANIZATION, INC.**

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2016

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**PRIOR AUDIT FINDINGS**

**NONE**