

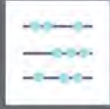
**INSTITUTE FOR CHILD AND FAMILY
HEALTH, INC.**

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2016

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INDEPENDENT AUDITORS' REPORT

Board of Directors of
Institute for Child and Family Health, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Institute for Child and Family Health, Inc. (the "Institute"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to 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 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 Institute for Child and Family Health, Inc. as of June 30, 2016, 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, 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* 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.

Subsequent Event

As discussed in NOTE C to the schedule of federal awards and state financial assistance, we revised the schedule of federal awards and state financial assistance for the year ended June 30, 2016 to include a \$234,911 federal award from the *U.S. Department of Justice* and a \$706,085 state award from the *Florida Department of Children and Families* that were not reported previously. We performed additional audit testing on the major state project Community Action Teams, CSFA No. 60.150. The audit work was completed on February 17, 2017 which resulted in dual-dating of our audit report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2016, on our consideration of the Institute'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 Institute's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida

December 20, 2016, except for NOTE C of the schedule of federal awards and state financial assistance as to which date is February 17, 2017

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

ASSETS

CURRENT ASSETS

Cash and cash equivalents - \$285 temporarily restricted	\$ 1,929,674
Accounts receivable (net of allowance for doubtful accounts of \$217,000)	765,895
Grants receivables and other receivables, no allowance necessary	1,059,411
Prepaid expenses and other current assets	49,277
TOTAL CURRENT ASSETS	<u>3,804,257</u>

INVESTMENTS - temporarily and permanently restricted	262,031
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PROPERTY AND EQUIPMENT, net of accumulated depreciation	2,064,262
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OTHER ASSETS - security deposits	<u>30,450</u>
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TOTAL ASSETS	<u><u>\$ 6,161,000</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 835,575
Capital leases, current portion	54,781
TOTAL CURRENT LIABILITIES	<u>890,356</u>

CAPITAL LEASES, long-term portion	108,122
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TOTAL LIABILITIES	<u>998,478</u>
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COMMITMENTS AND CONTINGENCIES

NET ASSETS

Unrestricted	4,855,210
Temporarily restricted	57,312
Permanently restricted	250,000
TOTAL NET ASSETS	<u>5,162,522</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,161,000</u></u>
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The accompanying notes are an integral part of these financial statements.

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT, REVENUE, AND OTHER INCOME				
Support:				
Federal, state, local and other grant contracts	\$ 8,090,976	\$ -	\$ -	\$ 8,090,976
Contributions	183	-	-	183
Total Support	8,091,159	-	-	8,091,159
Medicaid	213,341	-	-	213,341
Managed care	8,794,699	-	-	8,794,699
Client fees for services	24,551	-	-	24,551
Total Net revenue	9,032,591	-	-	9,032,591
Other income (expenses):				
Investment expense, net	-	(2,481)	-	(2,481)
Net realized and unrealized gains on investments	-	4,420	-	4,420
Other income	17,737	-	-	17,737
Net assets released from restrictions	62,109	(62,109)	-	-
Total Other Income	79,846	(60,170)	-	19,676
 TOTAL SUPPORT, REVENUE, AND OTHER INCOME	 17,203,596	 (60,170)	 -	 17,143,426
OPERATING EXPENSES				
Program Services:				
At risk youth/ crisis	3,139,780	-	-	3,139,780
Child and family counseling	8,108,523	-	-	8,108,523
Early childhood	2,322,128	-	-	2,322,128
Prevention	369,191	-	-	369,191
Education	375,138	-	-	375,138
Professional Training	331,333	-	-	331,333
Other Programs and Grants	135,119	-	-	135,119
Total Program Services	14,781,212	-	-	14,781,212
Supporting Services:				
General and Administrative	2,667,334	-	-	2,667,334
Total Supporting Services	2,667,334	-	-	2,667,334
 TOTAL OPERATING EXPENSES	 17,448,546	 -	 -	 17,448,546
CHANGE IN NET ASSETS	(244,950)	(60,170)	-	(305,120)
NET ASSETS - beginning of year, as restated	5,100,160	117,482	250,000	5,467,642
NET ASSETS - end of year	\$ 4,855,210	\$ 57,312	\$ 250,000	\$ 5,162,522

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

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (305,120)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	275,690
Net realized/unrealized (gain) on investments	(4,420)
Changes in operating assets and liabilities:	
Accounts receivable	254,092
Grants receivable and other receivables	215,368
Other assets	(3,878)
Prepaid expenses and other current assets	35,001
Accounts payable and accrued expenses	76,355
Total Adjustments	<u>848,208</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>543,088</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	(489,450)
Proceeds from investments	109,316
NET CASH USED IN INVESTING ACTIVITIES	<u>(380,134)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing under capital leases	(58,511)
NET CASH USED IN FINANCING ACTIVITIES	<u>(58,511)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 104,443

CASH AND CASH EQUIVALENTS - beginning of year 1,825,231

CASH AND CASH EQUIVALENTS - end of year \$ 1,929,674

SUPPLEMENTAL DISCLOSURES:

Interest paid \$ 16,486

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

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Program Services							Total Program Services	General and Administrative	Total Expenses
	At Risk Youth/ Crisis	Child and Family Counseling	Early Childhood	Prevention	Education	Professional Training	Other Programs and Grants			
PERSONNEL COSTS										
Salaries	\$ 2,223,792	\$ 5,878,637	\$ 1,574,893	\$ 287,738	\$ 267,099	\$ 237,490	\$ 91,814	\$ 10,561,463	\$ 1,257,052	\$ 11,818,515
Temporary labor	4,705	10,328	-	-	-	-	-	15,033	66,373	81,406
Payroll taxes and fringe benefits	459,002	771,531	334,020	36,636	49,008	70,061	11,850	1,732,108	317,973	2,050,081
TOTAL PERSONNEL COSTS	2,687,499	6,660,496	1,908,913	324,374	316,107	307,551	103,664	12,308,604	1,641,398	13,950,002
OPERATING EXPENSES										
Building occupancy	90,995	686,623	131,471	17,090	10,097	14,342	26,040	976,658	210,775	1,187,433
Depreciation	30,326	72,782	20,401	3,584	3,860	3,033	1,103	135,089	140,602	275,691
Equipment lease costs	5,586	18,631	9,798	385	3,037	323	35	37,795	5,538	43,333
Insurance	75,745	160,596	43,024	7,861	7,297	6,488	2,508	303,519	19,347	322,866
Operating supplies and expenses	28,017	148,316	41,004	3,978	10,860	6,949	1,392	240,516	265,421	505,937
Professional services	2,118	126,006	60,658	-	2,136	-	-	190,918	373,336	564,254
Training and conferences	124,991	2,874	35,439	310	2,454	(8,605)	-	157,463	(322)	157,141
Program supplies and expenses	16,452	90,366	42,536	303	15,074	536	25	165,292	1,388	166,680
Travel and transportation	78,051	141,833	28,884	11,306	4,216	716	352	265,358	9,851	275,209
TOTAL OPERATING EXPENSES	452,281	1,448,027	413,215	44,817	59,031	23,782	31,455	2,472,608	1,025,936	3,498,544
TOTAL EXPENSES	\$ 3,139,780	\$ 8,108,523	\$ 2,322,128	\$ 369,191	\$ 375,138	\$ 331,333	\$ 135,119	\$ 14,781,212	\$ 2,667,334	\$ 17,448,546

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

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Institute for Child and Family Health, Inc. (the “Institute”) (formerly known as The Children’s Psychiatric Center, Inc.) was organized in 1959 as a not-for-profit organization under the laws of the State of Florida. The purpose of the Institute is to provide clinical services for emotionally disturbed children and their families within Miami-Dade County.

Basis of Accounting

The Institute prepares its financial statements on the accrual basis of accounting principles generally accepted in the United States of America (“GAAP”).

The Institute prepares its financial statements in accordance with the Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”). The Institute is required to report information regarding its financial position and activities according to three classes of net assets. Accordingly, net assets of the Institute and changes therein are classified and reported as follows:

Unrestricted Net Assets – includes 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 unrestricted class.

Temporarily Restricted Net Assets – includes those net assets whose use by the Institute has been limited by donors to either later periods of time or after specified dates or specified purposes. At June 30, 2016, there was \$57,312 in temporarily restricted net assets.

Permanently Restricted Net Assets – are those net assets that must be maintained by the Institute in perpetuity. Permanently restricted net assets increase when the organization receives contributions for which donor-imposed restrictions limiting the organization’s use of an asset or its economic benefits neither expire with the passage of time nor can be removed by the organization meeting certain requirements. At June 30, 2016, there was \$250,000 in permanently restricted net assets.

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 that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts due from banks and investments with a maturity of three months or less when purchased. Cash and cash equivalents include \$1,929,674 at June 30, 2016.

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Medicaid and Managed Care Revenue

Medicaid and managed care revenue is reported at the estimated net realizable amounts and is recognized in the period that services are provided.

Grants from Government Agencies

Grants from government agencies are recognized as revenue when the grant funds have been expended in accordance with the grant provisions.

Accounts Receivable

Accounts receivable are stated at the amount the Institute expects to collect. The Institute maintains allowances for doubtful accounts and for estimated losses resulting from the inability of its clients to make required payments. Management considers the following factors when determining the collectability of specific client accounts; client credit-worthiness, past transaction history with the client, current economic industry trends, and changes in client payment terms. If the financial condition of the Institute's clients were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on Management's assessment, the Institute provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Institute has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Investments

Investments are reported at their fair values in the statement of financial position. Investment income, including realized and unrealized gains and losses, and interest and investment income are included in the statement of activities as changes in unrestricted or temporarily restricted net assets. Market risk is inherent and is dependent on the future changes in market prices of the various investments held.

Property and Equipment

Property and equipment acquisitions in excess of \$1,000 are recorded at cost except for donated assets which are recorded at their estimated fair value at the date of donation. The costs of renewals and betterments are capitalized when the life of the property is materially extended. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets (3 to 39 years).

Expenses Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded.

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, determine its filing and tax obligations, and to review other matters that may be considered tax positions. Management of the Organization believes there are no uncertain tax positions.

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

Subsequent Events

The Institute has evaluated subsequent events through December 20, 2016, which is the date the financial statements were available to be issued.

NOTE 2 – INVESTMENTS

Investments are restricted for an endowment fund and a capital campaign fund (see Notes 11 and 12).

Investments – restricted are stated at fair value and are summarized as follows as of June 30, 2016:

	<u>Fair Value</u>
Money market funds	\$ 19,525
Common stocks and exchange funds	223,943
Mutual funds	18,563
	<u>\$ 262,031</u>

The components of total investment return for the year ended June 30, 2016, were as follows:

	<u>2016</u>
Investment income, net	\$ (2,481)
Net realized and unrealized appreciation on investments reported at fair value	4,420
	<u>\$ 1,939</u>

Interest and dividends from investments are included in investment income in the accompanying statement of activities.

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 3 – FAIR VALUE MEASUREMENTS

The Institute adopted FASB ASC 820, *Fair Value Measurements and Disclosures*, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority.

FASB ASC establishes a three-level valuation hierarchy for measurement and disclosure of fair value. The valuation hierarchy is based upon the transparency of inputs used to measure fair value. The three levels are as follows:

Level 1 – asset value is based on actual quoted prices in active markets for identical securities (mark-to-market).

Level 2 – other significant observable inputs are used to arrive at fair value (including yield, quality, coupon rate, maturity, issue type, quoted prices for similar securities, prepayment speeds, trading characteristics, etc.).

Level 3 – significant unobservable inputs (including management’s own assumptions in determining the fair value of investments).

The Institute uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Institute measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. As of June 30, 2016, the Institute had no investments valued using Level 2 or 3 inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016.

Money market funds- The fair value of money market funds is based on quoted net asset values of the shares held at year-end. The money market funds seek to maintain net asset value of \$1 per share.

Common Stock and exchange funds- Valued at the closing price reported on the active market on which the individual securities are traded.

The following table represents the Institute’s investments reported at fair value as of June 30, 2016:

Assets	Fair Value	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)
Money market funds	\$ 19,525	\$ 19,525
Common stocks and exchange funds	223,943	223,943
Mutual funds	18,563	18,563
Total	\$ 262,031	\$ 262,031

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 4 – ACCOUNTS RECEIVABLE, GRANTS RECEIVABLE, AND OTHER RECEIVABLES

As of June 30, 2016, accounts receivable were \$765,895, net of an allowance for doubtful accounts of \$217,000. Grants and other receivables at June 30, 2016, were \$1,059,411. Management believes that all grants and other receivables are fully collectible as of June 30, 2016, and therefore, has not provided a related valuation allowance on these amounts.

NOTE 5 – PROPERTY AND EQUIPMENT, NET

At June 30, 2016, property and equipment consisted of the following:

Land	\$172,029
Building and leasehold improvements	830,581
Computers and equipment	2,212,840
Furniture and fixtures	138,910
Construction in progress	886,985
	<u>4,241,345</u>
Less: accumulated depreciation	<u>(2,177,083)</u>
	<u><u>\$2,064,262</u></u>

Depreciation expense was \$275,691 for the year ended June 30, 2016.

NOTE 6 – OPERATING LEASES

The Institute is obligated under various operating leases expiring through 2017 related to operational facilities and office equipment. Future minimum lease payments required under these operating leases as of June 30, 2016 are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2017	\$ 335,251
2018	74,539
2019	2,159
2020	2,159
2021	2,159
Total	<u><u>\$ 416,267</u></u>

The Institute occupies three facilities, located in Hialeah, Miami and North Miami, Florida. Rental expense charged to operations under these leases was approximately \$464,000 for the year ended June 30, 2016. Total rent expense charged to operations was \$575,765 for the year ended June 30, 2016.

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 7 – SUPPORT AND REVENUE

During the year ended June 30, 2016, the Institute received its primary funding support from not-for-profit agencies and government agencies, as follows:

Florida Department of Children and Families/South Florida Behavioral Network

Agreements have been entered into with the Florida Department of Children and Families for the funding of Outpatient, Crisis/Support Emergency, On-Site, Prevention-Intervention, Prevention, Case Management, and Non-ADM services for emotionally disturbed children, adolescents and their families.

United Way

Funding is based on annual budgets prepared by the Institute and approved by the United Way.

Miami-Dade County

The Institute entered into agreements with Miami-Dade County for the funding of out-patient service programs.

Miami-Dade County School Board

The Institute entered into agreements with the Miami-Dade County School Board to provide educational tutoring and out-patient psychiatric services.

The Children's Trust

The Institute entered into agreements with the Children's Trust to provide out-patient and outreach prevention programs.

Florida Department of Juvenile Justice

The Institute entered into agreements with the Florida Department of Juvenile Justice for the funding of out-patient programs.

Florida Department of Education

The Institute entered into an agreement with the Florida Department of Education to provide all-aboard educational services.

Medicaid and Managed Care

The Institute entered into agreements with Medicaid and Managed Care agencies for the funding of covered services provided to persons enrolled in mental health care plans.

Healthy Start Coalition of Miami-Dade, Inc.

The Institute entered into an agreement with Healthy Start Coalition of Miami-Dade, Inc. to provide funding for educational and referral services to pregnant women, infants and children.

NOTE 8 – EMPLOYEE BENEFIT PLAN

The Institute maintains a defined contribution pension plan covering all employees who meet eligibility requirements. For the year ended June 30, 2016, the amount of defined contribution expense was approximately \$0. Contributions to the defined contribution pension plan were suspended on May 1, 2014. The Institute provides a 403 (b) tax deferred annuity pension plan for the participants to make voluntary pre-tax contributions.

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 – FUNDING/ECONOMIC DEPENDENCE

For the year ended June 30, 2016, 47% and 52% of the Institute’s total revenues were derived from billings to various governmental programs and managed care contracts, respectively, (See Note 7). A significant reduction in the government funding or managed care contracts, if this were to occur, may have an adverse effect on the Institute’s programs and activities.

NOTE 10 – RESTRICTED NET ASSETS

Temporarily restricted net assets are those net assets whose use by the Institute is limited by donor-imposed stipulations that either expires by the passage of time or that can be fulfilled or otherwise removed by actions of the Institute pursuant to those stipulations. As of June 30, 2016, temporarily restricted assets consisted of \$57,312 held in investments and cash for the Institute’s capital campaign. In addition, the Institute has an endowment of \$250,000, which is permanently restricted, (See Note 12).

NOTE 11- ENDOWMENTS

Interpretation of Relevant Law

The State of Florida enacted the Florida Uniform Prudent Management of Institutional Funds Act (“FUPMIFA”) effective July 1, 2012, the provisions of which apply to endowment funds existing on or established after that date. The Institute has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Institute classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Institute in a manner consistent with the standard of prudence prescribed by FUPMIFA.

In accordance with the FUPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Institute and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Institute
- (7) The investment policies of the Institute

For the year ended June 30, 2016, the Institute has elected not to add appreciation for cost of living or other spending policies to its permanently restricted endowment for inflation and other economic conditions.

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11- ENDOWMENTS (Continued)

Endowment net asset composition by type of fund as of June 30, 2016 were as follows:

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ 57,312	\$ 250,000	\$ 307,312
Total Funds	<u>\$ 57,312</u>	<u>\$ 250,000</u>	<u>\$ 307,312</u>

As indicated in Note 11, the Institute received a permanently restricted donation of \$250,000 which it has recorded as an endowment and is held in investments.

Changes in endowment net assets for the year June 30, 2016 were as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 117,482	\$ 250,000	\$ 367,482
Investment Return:			
Investment expense, net	(2,481)	-	(2,481)
Net appreciation (realized and unrealized)	4,420	-	4,420
Total investment return	1,939	-	1,939
Net asset releases	62,109	-	62,109
Endowment net assets, end of year	<u>\$ 57,312</u>	<u>\$ 250,000</u>	<u>\$ 307,312</u>

As of June 30, 2016, there were permanently restricted endowments of \$250,000 held in investments as reflected in these financial statements.

NOTE 12 – CREDIT RISK

Credit risk with respect to governmental agency and program receivables is mitigated by the taxing authority of the governmental entity funding the programs. The Institute's investments in stocks and corporate bonds are subject to the usual risk of market fluctuations inherent in these types of investments.

NOTE 13 – CONTINGENCIES

The Institute is subject to both internal and external audits related to its medical billings to insurance companies and Medicaid. Such audits may lead to recoveries or paybacks to the insurance companies or Medicaid. The Institute records a liability when the likelihood of the paybacks are probable. Management believes that it has accrued for all probable liabilities for paybacks and recoveries, and does not believe any other potential paybacks and recoveries are significant.

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 14 – CONSTRUCTION IN PROGRESS

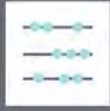
The Institute is in the process of constructing a Comprehensive Pediatric Health Facility. The land where the facility is to be constructed is owned by Miami-Dade County. In March 2006, the Institute entered into a fifty (50) year lease agreement with Miami-Dade County contingent upon the Institute’s construction and operation of the facility. The lease automatically renews for one additional twenty-five (25) year renewal period as long as the Institute is not in default with any lease provision. Construction is expected to be completed in 2018 and the estimated total cost is approximately \$5,500,000 - \$6,250,000. In June 2013, the Institute received a \$2,500,000 general obligation bond funding allocation from Miami-Dade County’s Building Better Communities program. The Institute will finance the remaining balance of the project. During March 2016, a financial institution had provided a term sheet for \$3,600,000 to finance the construction. This new facility will replace the current facility under the month-to-month lease in Hialeah, Florida.

NOTE 15 – CAPITAL LEASES

The Institute has acquired equipment under the provisions of long-term leases. For financial reporting purposes, minimum lease payments relating to the equipment have been capitalized and included in equipment on the balance sheet. The leased equipment under capital leases as of June 30, 2016 has a cost of approximately \$371,086. Amortization of the leased equipment is included in depreciation expense. The following is a schedule of future minimum lease payments under the capital leases.

Year Ended June 30,	Amount
2017	\$ 54,781
2018	38,341
2019	38,341
2020	38,341
2021	9,585
Total	<u>179,389</u>
Less: Amount attributable to Interest (ranging from 6% to 8.715%)	16,486
Total	<u>162,903</u>
Less: current portion	54,781
Long-term Portion	<u><u>\$ 108,122</u></u>

SUPPLEMENTAL INFORMATION



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors of
Institute for Child and Family Health, Inc.
Miami, Florida

We have audited the financial statements of Institute for Child and Family Health, Inc. (the "Institute") as of and for the year ended June 30, 2016, and have issued our report thereon dated December 20, 2016, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The accompanying schedules of program/cost center actual expenses and revenues, and state earnings as required by the Florida Department of Children and Families (the "Department"), Chapter 65E-14.003 *Florida Administrative Code*, are presented for purposes of additional analysis and are 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.

Verdeja, De Armas, & Trujillo LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 20, 2016

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
SCHEDULE OF PROGRAM/COST CENTER ACTUAL EXPENSES AND REVENUES
FOR THE YEAR ENDED JUNE 30, 2016

	Substance Abuse and Mental Health									
	Children's Substance Abuse and Mental Health									
	At Risk Youth/ Crisis	Child and family Counseling	Early Childhood	Prevention	Education	Professional Training	Other Programs	Total Program Activities	General and Administrative	Total
Part I: Actual Funding Sources and Revenues										
IA. State SAMH Funding										
FL Comm MH contracts	\$ -	\$ 920,853	\$ -	\$ 187,317	\$ -	\$ -	\$ -	\$ 1,108,170	\$ -	\$ 1,108,170
Other DCF contracts	706,085	805,000	-	-	-	-	-	1,511,085	-	1,511,085
Total State SAMHSA Contracts	706,085	1,725,853	-	187,317	-	-	-	2,619,255	-	2,619,255
IB. Non-State SAMH Funding										
Other state contracts	838,005	86,409	-	-	-	-	-	924,414	-	924,414
MDC DHS contracts	898,187	99,121	40,856	-	-	-	-	1,038,164	-	1,038,164
Total Other State and Local Funding	1,736,192	185,530	40,856	-	-	-	-	1,962,578	-	1,962,578
IC. Other Revenues										
Local Government Contract net of MDC DHS Contracts	239,605	44,007	2,251,725	-	375,247	-	145,000	3,055,584	-	3,055,584
FL Medicaid Fees	23,244	8,888,633	-	-	-	-	-	8,911,877	9,663	8,921,540
United Way	52,115	150,491	90,723	246,631	-	-	-	539,960	98	540,058
Total Other Funding	314,964	9,083,131	2,342,448	246,631	375,247	-	145,000	12,507,421	9,761	12,517,182
ID. Public Support and Revenues										
Program service fees	-	23,403	-	-	-	-	-	23,403	1,149	24,552
Public support	-	183	-	-	-	-	-	183	-	183
Other revenue	-	5,683	90	-	-	-	-	5,773	16,351	22,124
Interest Income	-	-	-	-	-	-	-	-	(2,448)	(2,448)
Total All Other Revenues	-	29,269	90	-	-	-	-	29,359	15,052	44,411
Total Support and Revenue	2,757,241	11,023,783	2,383,394	433,948	375,247	-	145,000	17,118,613	24,813	17,143,426
Part II: Actual Operating Expenses										
IIA. Personnel Costs										
Salaries	2,223,792	5,878,637	1,574,893	287,738	267,099	237,490	91,814	10,561,463	1,257,052	11,818,515
Temporary labor	4,705	10,328	-	-	-	-	-	15,033	66,373	81,406
Payroll taxes and fringe benefits	459,002	771,531	334,020	36,636	49,008	70,061	11,850	1,732,108	317,973	2,050,081
Total Personnel Costs	2,687,499	6,660,496	1,908,913	324,374	316,107	307,551	103,664	12,308,604	1,641,398	13,950,002
IIB. Other Expenses										
Building occupancy	90,995	686,623	131,471	17,090	10,097	14,342	26,040	976,658	210,775	1,187,433
Depreciation	30,326	72,782	20,401	3,584	3,860	3,033	1,103	135,089	140,602	275,691
Equipment lease costs	5,586	18,631	9,798	385	3,037	323	35	37,795	5,538	43,333
Insurance	75,745	160,596	43,024	7,861	7,297	6,488	2,508	303,519	19,347	322,866
Operating supplies and expenses	28,017	148,316	41,004	3,978	10,860	6,949	1,392	240,516	265,421	505,937
Professional services	2,118	126,006	60,658	-	2,136	-	-	190,918	373,336	564,254
Training and conferences	124,991	2,874	35,439	310	2,454	(8,605)	-	157,463	(322)	157,141
Program supplies and expenses	16,452	90,366	42,536	303	15,074	536	25	165,292	1,388	166,680
Travel and transportation	78,051	141,833	28,884	11,306	4,216	716	352	265,358	9,851	275,209
Total Other Expenses	452,281	1,448,027	413,215	44,817	59,031	23,782	31,455	2,472,608	1,025,936	3,498,544
TOTAL EXPENSES BEFORE ALLOCATION OF GENERAL AND ADMINISTRATIVE EXPENSES	3,139,780	8,108,523	2,322,128	369,191	375,138	331,333	135,119	14,781,212	2,667,334	17,448,546
Total Expenses	\$ 3,139,780	\$ 8,108,523	\$ 2,322,128	\$ 369,191	\$ 375,138	\$ 331,333	\$ 135,119	\$ 14,781,212	\$ 2,667,334	\$ 17,448,546

See Independent Auditors' Report
on Supplemental Information.

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2016

		ME 225-3-61	
		KH225-33	KH225-61
1.	Total Expenditures	\$ 17,448,546	\$ 17,448,546
2.	Less other State and Federal Funds	(1,962,578)	(1,962,578)
3.	Less Non-Match ADM Funds	(210,000)	(1,802,285)
4.	Less Unallowable Costs, per 65E-14, F.A.C.	(7,139)	(7,139)
5.	Less Unallowable Patient Fees	-	-
6.	Total Allowable Expenditures (Sum of lines 1,2,3,4 and 5)	15,268,829	13,676,544
7.	Maximum Available Earnings (Line 6 times 75%)	11,451,622	10,257,408
8.	Less Amount of Funds Requiring Match	-	-
9.	Amount Due to Department, if negative (Subtract line 8 from line 7)	<u>\$ 11,451,622</u>	<u>\$ 10,257,408</u>

See Independent Auditors' Report on Supplemental Information.

**INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/State Agency Pass-Through Grantor Program Title	CFDA/ CSFA Number	Pass-Through Entity Identifying Number	Expenditures	Transfer to Subrecipients
FEDERAL AWARDS				
U.S. Department of Health and Human Services Programs				
<i>Pass-through South Florida Behavioral Health Network</i>				
Block Grants for Community Mental Health Services	93.958	ME 225-3-61	\$ 135,229	\$ -
Block Grants for Prevention and Treatment of Substance Abuse	93.959	ME 225-3-61	180,686	-
Maternal and Child Health Services				
Children's Health Insurance Program	93.767	ME 225-3-61	701,000	-
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	ME 225-3-61	134,440	-
Total South Florida Behavioral Health Network			<u>1,151,355</u>	<u>-</u>
<i>Pass-through Healthy Start Coalition of Miami Dade County Inc.</i>				
Medical Assistance Program	93.778	HSICGH1516	243,183	
Maternal and Child Health Services				
Block Grant to the States	93.994	HSICGH1516	364,774	
Total Healthy Start Coalition of Miami-Dade, Inc.			<u>607,957</u>	<u>-</u>
U.S. Department of Justice				
<i>Pass-through City of Miami Gardens</i>				
OJJDP Second Chance Act Two Phase Re-entry	16.812	2014-CZ-BX-0009	234,911	
U.S. Department of Education				
<i>Pass-through School Board of Miami Dade County</i>				
Special Education	84.027	560004442	44,007	-
Total Expenditures of Federal Awards			<u>\$ 2,038,230</u>	<u>\$ -</u>
STATE FINANCIAL ASSISTANCE				
Florida Department of Children and Families				
Community Action Teams	60.150	KH228	\$ 706,085	\$ -
Total State Financial Assistance			<u>\$ 706,085</u>	<u>\$ -</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 2,744,315</u>	<u>\$ -</u>

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

INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
NOTES TO THE SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016

NOTE A – BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) represents all of the Federal and State awards activity of the Institute during the year ended June 30, 2016.

The information in the Schedule is presented in accordance with the 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) and Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Because the Schedule presents only a selected portion of the operation of the Institute, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Institute.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Institute has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – REISSUING OF THE SINGLE AUDIT REPORTS

In preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance, the Institute did not include certain federal and state awards in its single audit report dated December 20, 2016. Upon further investigation, a federal award of \$234,911 from the U.S. Department of Justice and a state of Florida award of \$706,085 from the Florida Department of Children and Families were excluded from the Schedule. Because of these changes, a revised schedule of federal awards and state financial assistance is presented which resulted in dual dating of the audit report. We performed additional audit testing on the major state project Community Action Teams, CSFA No. 60.150.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Institute for Child and Family Health, Inc.
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Institute for Child and Family Health, Inc. (the "Institute") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 20, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Institute'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 Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Institute'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 Institute's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

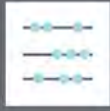
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
December 20, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND STATE PROJECT AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND CHAPTER 10.650
RULES OF THE AUDITOR GENERAL**

To the Board of Directors of
Institute for Child and Family Health, Inc.
Miami, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Institute for Child and Family Health, Inc.'s (the "Institute") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Institute's major federal programs and state projects for the year ended June 30, 2016. The Institute'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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Institute'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); and Chapter 10.650, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, 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 Institute'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 and state project program. However, our audit does not provide a legal determination of the Institute's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Institute 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 June 30, 2016.

Report on Internal Control Over Compliance

Management of the Institute 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 Institute's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or 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, Rules of the Auditor General, 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 Institute'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, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Verdugo, De Armas, & Trujillo LLP". The signature is written in a cursive style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida

December 20, 2016, except for additional testing and finding described in the paragraph above as to which date is February 17, 2017

**INSTITUTE FOR CHILD AND FAMILY HEALTH, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
 FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2016**

SECTION I - SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?
 yes no

Federal Awards

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

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

Identification of major programs:

Federal Program	CFDA Number	Expenditures
Children’s Health Insurance Programs	93.767	\$ 701,000

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes no

