

**ADULTS MANKIND ORGANIZATION, INC.**

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FINANCIAL STATEMENTS, SINGLE AUDIT  
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2017 AND 2016



## **ADULTS MANKIND ORGANIZATION, INC.**

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### **TABLE OF CONTENTS**

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<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1 - 2</b>
<b>FINANCIAL STATEMENTS</b>	
<b>Statements of Financial Position</b>	<b>3</b>
<b>Statements of Activities</b>	<b>4</b>
<b>Statements of Functional Expenses</b>	<b>5 - 6</b>
<b>Statements of Cash Flows</b>	<b>7</b>
<b>Notes to Financial Statements</b>	<b>8 - 11</b>
<b>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</b>	<b>12</b>
<b>SINGLE AUDIT REPORT AND SUPPLEMENTARY INFORMATION</b>	<b>13</b>
<b>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</b>	<b>14 - 15</b>
<b>Schedule of Expenditures of Federal Awards and State Financial Assistance</b>	<b>16</b>
<b>Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance</b>	<b>17</b>
<b>Schedule of Findings and Questioned Costs</b>	<b>18 - 19</b>



## **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, 2017 and 2016, 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, 2017 and 2016, 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.

An independent member of Baker Tilly International

**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 14, 2018, 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 14, 2018

**ADULTS MANKIND ORGANIZATION, INC.**

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STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31,

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
<b>CURRENT ASSETS:</b>		
Cash	\$ 35,604	\$ 27,536
Grants and contracts receivable	858,736	856,863
Prepaid expenses	<u>3,277</u>	<u>150</u>
<b>TOTAL CURRENT ASSETS</b>	<b>897,617</b>	<b>884,549</b>
EQUIPMENT, NET	-	630
OTHER ASSETS	<u>13,865</u>	<u>13,865</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 911,482</u></b>	<b><u>\$ 899,044</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<hr/>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 157,522	\$ 131,336
Line of credit payable	<u>87,000</u>	<u>59,505</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>244,522</b>	<b>190,841</b>
NET ASSETS, UNRESTRICTED	<u>666,960</u>	<u>708,203</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 911,482</u></b>	<b><u>\$ 899,044</u></b>

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

**ADULTS MANKIND ORGANIZATION, INC.**

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31,

	2017	2016
<b>CHANGES IN UNRESTRICTED NET ASSETS:</b>		
<b>REVENUES</b>		
Federal awards	\$ 2,791,099	\$ 2,649,461
State financial assistance	946,801	950,000
County and local grants	709,583	575,281
<b>TOTAL REVENUES</b>	<b>4,447,483</b>	<b>4,174,742</b>
<b>EXPENSES</b>		
Program services:		
Local workforce development	155,489	181,225
Youth prevention programs	218,208	212,878
Out of school camps	146,295	154,582
State youth programs	835,062	884,768
WIA youth program	1,010,762	686,872
Refugee employment	1,735,692	1,690,447
Management and general	387,218	379,886
<b>TOTAL EXPENSES</b>	<b>4,488,726</b>	<b>4,190,658</b>
<b>NET DECREASE IN NET ASSETS</b>	<b>(41,243)</b>	<b>(15,916)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>708,203</b>	<b>724,119</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 666,960</b>	<b>\$ 708,203</b>

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, 2017**

	Program Services							Total
	Local Workforce Development	Youth Prevention Programs	Out of School Camps	State Youth Programs	WA Youth Program	Refugee Employment	Management and General	
<b>PERSONNEL COSTS</b>								
Salaries	\$ 106,825	\$ 57,862	\$ 59,468	\$ 511,816	\$ 416,615	\$ 1,138,920	\$ 250,179	\$ 2,541,685
Payroll taxes and other personnel costs	28,495	10,284	6,865	149,080	109,659	308,506	74,973	687,862
Total personnel costs	135,320	68,146	66,333	660,896	526,274	1,447,426	325,152	3,229,547
<b>OPERATING EXPENSES</b>								
Equipment costs,								
maintenance and rent	924	1,727	741	4,580	2,288	21,584	2,821	34,665
Occupancy	10,840	410	26,121	25,724	18,649	173,133	7,248	262,125
Professional fees	-	-	-	-	-	-	25,640	25,640
Subcontract services	-	74,426	32,009	-	-	-	-	106,435
Insurance	604	800	568	3,244	3,927	6,743	1,767	17,653
Communications	6,622	2,006	4,610	19,224	13,272	36,197	4,069	86,000
Office supplies and services	1,179	1,566	6,164	2,910	10,332	25,071	18,910	66,132
Interest	-	-	-	-	-	-	1,420	1,420
Support services	-	69,127	9,749	118,484	436,020	25,538	191	659,109
Total expenses	\$ 155,489	\$ 218,208	\$ 146,295	\$ 835,062	\$ 1,010,762	\$ 1,735,692	\$ 387,218	\$ 4,488,726

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

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STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in unrestricted net assets	\$ (41,243)	\$ (15,916)
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities:		
Depreciation	630	629
Changes in operating assets and liabilities:		
Grants and contracts receivable	(1,873)	(136,120)
Prepaid expenses	(3,127)	2,297
Other assets	-	(292)
Accounts payable and accrued expenses	26,186	(844)
<b>TOTAL ADJUSTMENTS</b>	<u>21,816</u>	<u>(134,330)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(19,427)</u>	<u>(150,246)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from line of credit	456,146	387,406
Repayments on line of credit	(428,651)	(327,901)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>27,495</u>	<u>59,505</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	8,068	(90,741)
<b>CASH - BEGINNING OF YEAR</b>	<u>27,536</u>	<u>118,277</u>
<b>CASH - END OF YEAR</b>	<u>\$ 35,604</u>	<u>\$ 27,536</u>
<hr/> <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Interest paid	<u>\$ 1,420</u>	<u>\$ 576</u>

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, 2017 AND 2016

### 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, 2017 and 2016.

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, 2017 and 2016.

#### 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, 2017 AND 2016

#### 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, 2017 and 2016.

##### **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, 2017 and 2016.

Two grantors accounted for 92% of grants and contracts receivable at December 31, 2017 and 2016. Two grantors accounted for 87% and 86% of total revenues for the years ended December 31, 2017 and 2016, 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, 2017 and 2016.

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 2014.

## ADULTS MANKIND ORGANIZATION, INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

#### 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 standards 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 standards 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.

##### Reclassifications

Certain amounts in the 2016 financial statements were reclassified to conform to the 2017 financial statements presentation.

##### Subsequent Events

The Organization has evaluated subsequent events through June 14, 2018, 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>2017</u>	<u>2016</u>
South Florida Workforce Investment Board	\$ 532,917	\$ 528,507
State of Florida	259,330	261,250
The Children's Trust	17,436	16,405
Other	49,053	50,701
Total	<u>\$ 858,736</u>	<u>\$ 856,863</u>

**ADULTS MANKIND ORGANIZATION, INC.**

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**4. EQUIPMENT, NET**

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

	<u>2017</u>	<u>2016</u>
Equipment	\$ 8,811	\$ 8,811
Less: accumulated depreciation	<u>(8,811)</u>	<u>(8,181)</u>
	<u>\$ -</u>	<u>\$ 630</u>

Depreciation expense for the years ended December 31, 2017 and 2016 totaled \$630 and \$629, respectively and is included within the caption Equipment costs, maintenance and rent on the statement of functional expenses as of the years ended December 31, 2017 and 2016, respectively.

**5. REVOLVING LINE OF CREDIT**

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In January 2013, the Organization obtained a revolving line of credit with a maximum borrowing capacity of \$100,000. The line bears interest at the prime rate plus 2.75%, which was 7.25% and 6.50% for the years ended December 31, 2017 and 2016, respectively. The line of credit is unsecured and matures in January 2019. Borrowings outstanding on the line of credit were approximately \$87,000 and \$60,000 at December 31, 2017 and 2016, respectively. Interest expense for the years ended December 31, 2017 and 2016 was \$1,420 and \$576, respectively. Subsequent to year end, the balance on the line of credit was paid in full.

**6. RETIREMENT PLAN**

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The Organization sponsors a Simple IRA Plan covering all employees who elect to participate. Under the plan, the Organization contributes the lesser of 3% of the participant's wages or the participant's contribution. The Organization's contribution for the years ended December 31, 2017 and 2016 was \$34,040 and \$30,230, respectively.

**7. COMMITMENTS AND CONTINGENCIES**

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**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, 2017 and 2016 were approximately \$220,000 and \$215,000, respectively.

The Organization also leases office equipment under non-cancelable leases through March 2022. Rent expense under these operating leases was approximately \$26,000 and \$25,000, respectively, for the years ended December 31, 2017 and 2016.

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

2018	\$ 189,000
2019	103,000
2020	105,000
2021	82,000
2022	<u>10,000</u>
	<u>\$ 489,000</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**

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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, 2017, 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 14, 2018.

**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 14, 2018

**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**

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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, 2017. The Organization's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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, 2017.



### 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.

*Morrison, Brown, Ariz & Tena*

Miami, Florida  
June 14, 2018

**ADULTS MANKIND ORGANIZATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Federal/State Grantor, Pass-through Grantor, Program/Project or Cluster Title</u>	<u>CFDA/ CSFA Number</u>	<u>Contract Award Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<b>Federal Programs:</b>				
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-PY16-01-00	\$ -	\$ 1,439,743
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584	RET-DP-PY17-01-00	-	429,205
Total Refugee and Entrant Assistance - Targeted Assistance Grants			-	1,868,948
TANF Cluster:				
City of Miami Gardens Summer Youth Program	93.558	WS-YS-SP-PY16-19-00	-	136,575
Total TANF Cluster			-	136,575
Total Department of Health and Human Services			-	2,005,523
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-PY16-08-00	-	189,474
WIA/WIAO Youth Activities (In School Youth)	17.259	WS-YS-ISY-PY17-08-00	-	189,908
WIA/WIAO Youth Activities (Out of School Youth)	17.259	WS-YS-OSY-PY16-08-00	-	222,106
WIA/WIAO Youth Activities (Out of School Youth)	17.259	WS-YS-OSY-PY17-08-00	-	184,088
Total WIA Cluster			-	785,576
Total Department of Labor			-	785,576
Total Expenditures of Federal Awards			-	2,791,099
<b>State Projects:</b>				
State of Florida Department of Legal Affairs and Attorney General				
Minority Communities Crime Prevention Program - Adult				
Mankind Organization	41.007	K03884	-	403,750
Minority Communities Crime Prevention Program - Adult				
Mankind Organization	41.007	K04149	-	543,051
Total Expenditures of State Financial Assistance			-	946,801
Total Expenditures of Federal Awards and State Financial Assistance			\$ -	\$ 3,737,900

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, 2017**

**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, 2017. 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 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 or State 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, 2017.

ADULTS MANKIND ORGANIZATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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/projects:

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/projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) 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	\$ 284,040

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, 2017**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**CURRENT YEAR FINDINGS**

None.

**PRIOR YEAR FINDINGS**

None.

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

**CURRENT YEAR FINDINGS**

None.

**PRIOR YEAR FINDINGS**

None.

**SECTION IV – OTHER ISSUES**

A management letter is not required as there were no findings required to be reported in the management letter.

A Summary Schedule of Prior Audit Findings is not required as there were no findings required to be reported.

A Corrective Action Plan is not required as there were no findings required to be reported.