



Adults Making Organization, Inc.

Financial Statements and Reports Required
by Government Auditing Standards, The
Uniform Guidance, Chapter 10.650, Rules of
the Auditor General, and Schedule of
Expenditures of Federal Awards and State
Financial Assistance

Years Ended December 31, 2020 and 2019

ADULTS MANKIND ORGANIZATION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Adults Mankind Organization, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Adults Mankind Organization, Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Adults Mankind Organization, Inc. as of December 31, 2020, 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.



Emphasis of Matter - Coronavirus

As further discussed in Note 8, the Organization is subject to the current economic and health conditions in the United States, including the coronavirus which was designated as a global pandemic by the World Health Organization on March 11, 2020. Management is currently assessing the impact of these conditions and continues to explore various options to minimize the financial impact, however the ultimate outcome is not known as of the date these financial statements were available to be issued, and our opinion is not modified with respect to this matter.

Other Matter - Prior Year Financial Statements

The financial statements of Adults Mankind Organization, Inc., as of and for the year ended December 31, 2019 were audited by Morrison, Brown, Argiz & Farra, LLC ("MBAF"), whose partners and professional staff joined BDO USA, LLP as of January 16, 2021, and has subsequently ceased operations. MBAF expressed an unmodified opinion on those statements in their report dated May 22, 2020.

Other Matter - Supplemental Schedules

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance 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* and Chapter 10.650, Rules of the State of Florida Auditor General 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 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 July 27, 2021, 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 solely 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 the effectiveness of the Organization's 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.

Miami, Florida
July 27, 2021

BDO USA, LLP

Certified Public Accountants

ADULTS MANKIND ORGANIZATION, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS	2020	2019
CURRENT ASSETS:		
Cash	\$ 567,325	\$ 5,672
Grants and contracts receivable	798,706	890,324
Prepaid expenses	44,256	506
TOTAL CURRENT ASSETS	1,410,287	896,502
OTHER ASSETS	21,122	21,122
TOTAL ASSETS	\$ 1,431,409	\$ 917,624
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 68,798	\$ 173,723
Paycheck Protection Program loan, current portion	333,607	-
Line of credit	-	5,000
TOTAL CURRENT LIABILITIES	402,405	178,723
PAYCHECK PROTECTION PROGRAM LOAN, NET OF CURRENT PORTION	194,553	-
TOTAL LIABILITIES	596,958	178,723
NET ASSETS:		
Without donor restrictions	834,451	738,901
TOTAL LIABILITIES AND NET ASSETS	\$ 1,431,409	\$ 917,624

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

ADULTS MANKIND ORGANIZATION, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2020	2019
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES		
Federal awards	\$ 2,206,038	\$ 2,485,332
State financial assistance	918,046	955,100
County and local grants	592,656	618,761
TOTAL REVENUES WITHOUT DONOR RESTRICTIONS	<u>3,716,740</u>	<u>4,059,193</u>
EXPENSES		
Program services:		
Local workforce development	116,309	115,659
Youth prevention programs	138,333	141,997
Out of school camps	138,307	156,579
State youth programs	718,114	770,274
WIA youth program	1,087,209	1,359,596
Refugee employment	1,041,080	1,087,293
Management and general	381,838	393,784
TOTAL EXPENSES	<u>3,621,190</u>	<u>4,025,182</u>
INCREASE IN NET ASSETS	95,550	34,011
NET ASSETS, BEGINNING OF YEAR	<u>738,901</u>	<u>704,890</u>
NET ASSETS, END OF YEAR	<u>\$ 834,451</u>	<u>\$ 738,901</u>

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

ADULTS MANKIND ORGANIZATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services							Total
	Local Workforce Development	Youth Prevention Programs	Out of School Camps	State Youth Programs	WIOA Youth Program	Refugee Employment	Management and General	
PERSONNEL COSTS								
Salaries	\$ 85,471	\$ 54,006	\$ 55,819	\$ 507,140	\$ 558,798	\$ 682,148	\$ 249,708	\$ 2,193,090
Payroll taxes and other personnel costs	23,641	10,661	6,180	110,020	133,429	187,784	72,747	544,462
Total personnel costs	109,112	64,667	61,999	617,160	692,227	869,932	322,455	2,737,552
OPERATING EXPENSES								
Equipment costs, maintenance and rent	852	633	573	1,893	3,067	18,300	5,034	30,352
Occupancy	2,479	1,094	27,639	11,505	17,081	100,695	4,843	165,336
Professional fees	-	-	-	-	-	-	29,265	29,265
Subcontract services	-	67,175	34,670	-	-	-	-	101,845
Insurance	609	724	724	3,759	5,691	5,450	1,884	18,841
Communications	1,902	2,484	6,354	11,340	19,222	26,278	4,069	71,649
Office supplies and services	1,355	712	5,023	2,400	5,810	19,469	13,857	48,626
Interest	-	-	-	-	-	-	431	431
Support services	-	844	1,325	70,057	344,111	956	-	417,293
Total expenses	\$ 116,309	\$ 138,333	\$ 138,307	\$ 718,114	\$ 1,087,209	\$ 1,041,080	\$ 381,838	\$ 3,621,190

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, 2019

	Program Services							Total
	Local Workforce Development	Youth Prevention Programs	Out of School Camps	State Youth Programs	WIOA Youth Program	Refugee Employment	Management and General	
PERSONNEL COSTS								
Salaries	\$ 84,403	\$ 59,491	\$ 60,940	\$ 497,954	\$ 571,103	\$ 707,540	\$ 248,498	\$ 2,229,929
Payroll taxes and other personnel costs	23,619	12,755	8,796	108,028	134,236	184,883	78,621	550,938
Total personnel costs	108,022	72,246	69,736	605,982	705,339	892,423	327,119	2,780,867
OPERATING EXPENSES								
Equipment costs, maintenance and rent	740	1,035	665	2,058	3,445	22,109	6,409	36,461
Occupancy	2,471	1,091	30,618	11,594	16,613	108,304	5,049	175,740
Professional fees	-	-	-	-	-	-	29,295	29,295
Subcontract services	-	56,535	33,439	700	3,360	-	-	94,034
Insurance	446	547	603	2,967	5,238	4,190	1,555	15,546
Communications	2,246	2,618	4,897	11,772	17,637	30,123	3,339	72,632
Office supplies and services	1,734	1,754	7,269	4,311	21,238	27,331	20,067	83,704
Interest	-	-	-	-	-	-	951	951
Support services	-	6,171	9,352	130,890	586,726	2,813	-	735,952
Total expenses	\$ 115,659	\$ 141,997	\$ 156,579	\$ 770,274	\$ 1,359,596	\$ 1,087,293	\$ 393,784	\$ 4,025,182

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

ADULTS MANKIND ORGANIZATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 95,550	\$ 34,011
Adjustments to reconcile net assets to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Grants and contracts receivable	91,618	(132,962)
Prepaid expenses	(43,750)	3,205
Other assets	-	(847)
Accounts payable and accrued expenses	(104,925)	40,670
TOTAL ADJUSTMENTS	(57,057)	(89,934)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	38,493	(55,923)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loan	528,160	-
Proceeds from line of credit	155,051	366,008
Repayments of line of credit	(160,051)	(361,008)
NET CASH PROVIDED BY FINANCING ACTIVITIES	523,160	5,000
NET INCREASE (DECREASE) IN CASH	561,653	(50,923)
CASH - BEGINNING OF YEAR	5,672	56,595
CASH - END OF YEAR	\$ 567,325	\$ 5,672
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 431	\$ 951

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

ADULTS MANKIND ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. ORGANIZATION

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

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations. In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are presented according to their maturity resulting in the use of cash, respectively. Net assets and revenues, expenses, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

Net Assets without Donor Restrictions

Net assets without donor restrictions consists of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions

Net assets with donor restrictions consists of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the Organization, the environment in which the Organization operates, and the purpose specified in the Organization's articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature. There were no net assets with donor restrictions as of December 31, 2020 and 2019.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("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, and those differences could be material.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers money market funds without donor restrictions and debt securities purchased with a maturity of ninety days or less to be cash equivalents. There were no such cash equivalents at December 31, 2020 and 2019.

Prepaid Expenses

Prepaid expenses consist primarily of amounts paid in advance that benefit future periods which include rent and participant costs.

ADULTS MANKIND ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 in accordance with Accounting Standards Update ("ASU") 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08") and 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. Accordingly, the Organization evaluates whether a transfer of asset is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. The Organization records conditional contributions as a refundable advance for monies received in advance of the expenditure of allowable costs. As of December 31, 2020 and 2019, there were no conditional promises.

Grants and contracts received are recorded as support with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Grants and contracts receivable are mainly comprised of government support and 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, 2020 and 2019.

Two grantors accounted for 89% and 92% of grants and contracts receivable at December 31, 2020 and 2019, respectively. Two grantors accounted for 88% and 89% of total revenues for the years ended December 31, 2020 and 2019, respectively. The loss of these funding sources could have an adverse impact on the Organization.

Other Assets

Other assets consist of security deposits for office space totaling \$21,122 for both of the years ended December 31, 2020 and 2019.

Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable cost basis that is consistently applied. The organization determines functional expense classification based on the departments to which time and expenses are charged. The Organization's departments reflect the nature and purpose of each expense that is incurred. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Other indirect expenses are allocated among the program and supporting services based on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of estimated time and effort.

The following provides a description of the program expense categories presented in the statements of functional expenses:

Local Workforce Development – department implementing programmatic work to provide counseling, employability skills, and on-the-job training to local youth.

Youth Prevention Programs – department implementing programmatic work to provide employability and skills training, career preparation, academic assistance, intensive counseling, community service, work based learning, and direct placement for at-risk youth ages 15-18 years old.

Out of School Camps – department implementing programmatic work to provide after school and summer camp programs services including include fitness, homework assistance and other educational enrichment activities such as literacy, cultural awareness, music, and art.

ADULTS MANKIND ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses (Continued)

State Youth *Programs* – department implementing programmatic work to provide eligibility screening, counseling, employability and life skills training, and paid work experience to youth 15-21 years old.

WIOA Youth Program – department implementing programmatic work to provide employability and skills training, academic and General Educational Development assistance, work experience and internship opportunities, vocational training, and workforce development services for students to earn post high school credential and enter the workforce.

Refugee Employment – department implementing programmatic work to provide employment services, labor market information, and to assist eligible refugees and entrants in achieving economic self-sufficiency and effective resettlement in as short a time period as possible through gainful employment.

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, 2020 and 2019.

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 2017.

Accounting Pronouncement Issued but Not Yet Adopted

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. Also, the FASB has issued amendments to the update with practical expedients related to land easements, lessor accounting, and disclosures related to accounting changes and error corrections. The Organization is currently evaluating the effect the update will have on its financial statements.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization's presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting. The Organization is evaluating the method of adoption it will elect. The update is effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early application permitted. Management is currently evaluating the impact of this ASU on its financial statements.

ADULTS MANKIND ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

On March 10, 2021, the President signed the \$1.9 trillion American Rescue Plan Act into law. The Organization has not applied for and does not expect to apply for any of the American Rescue Plan Act funding or benefits.

The Organization has evaluated subsequent events through July 27, 2021, which is the date the financial statements were available to be issued. There were no other material subsequent events that require recognition or additional disclosure in these financial statements.

3. LIQUIDITY MANAGEMENT AND AVAILABILITY OF RESOURCES

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization holds cash in various noninterest-bearing bank accounts with well-known financial institutions. The Organization also has a line of credit available with borrowing capacity of up to \$100,000 which can be used to meet general expenditures within one year (NOTE 5).

The Organization's financial assets available within one year of December 31, 2020 and 2019 for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>
Cash	\$ 567,325	\$ 5,672
Grants and contracts receivable	798,706	890,324
Total financial assets available to management for general expenditures within one year	<u>\$ 1,366,031</u>	<u>\$ 895,996</u>

4. GRANTS AND CONTRACTS RECEIVABLE

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

	<u>2020</u>	<u>2019</u>
South Florida Workforce Investment Board	\$ 471,589	\$ 563,777
State of Florida	238,296	258,850
The Children's Trust	39,769	18,644
Other	49,052	49,053
	<u>\$ 798,706</u>	<u>\$ 890,324</u>

5. REVOLVING LINE OF CREDIT

In January 2013, the Organization obtained a revolving line of credit with a maximum borrowing capacity of \$100,000. The line bears interest at the prime rate plus 2.75%, which was 6.00% and 7.50% for the years ended December 31, 2020 and 2019, respectively. The line of credit is unsecured and matures in January 2022. At December 31, 2020 there was no outstanding balance on the line of credit. At December 31, 2019, the Organization had \$5,000 outstanding on the line of credit. Interest expense for the years ended December 31, 2020 and 2019 was \$431 and \$951, respectively.

ADULTS MANKIND ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

6. PAYCHECK PROTECTION PROGRAM LOAN

On May 7, 2020, the Organization received a loan of approximately \$528,000 under the Paycheck Protection Program ("PPP") authorized by the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") that was signed into law on March 27, 2020. The application for these funds requires the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization. This certification further requires the Organization to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the Organization having initially qualified for the loan and qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria. The loans began accruing interest at a rate of 1.00% on the effective date. Principal payments are due in equal monthly installments commencing May 7, 2021. The loan matures on May 7, 2022, at which time all unpaid principal and accrued interest is due. Under the PPP, loan funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent, and utility costs and if the Organization retains employees during a specified period. The proceeds from the loan are recognized as a financial liability in accordance with FASB Accounting Standards Codification 470. The proceeds will be recognized as a gain on extinguishment of debt if forgiveness is granted and the Company is legally released from the obligation. The Organization intends to apply for loan forgiveness under the PPP. As of December 31, 2020, the amount outstanding on the PPP loan was approximately \$528,000 and is reflected within the caption "Paycheck Protection Program loan" on the accompanying balance sheets.

Approximate maturities of the Paycheck Protection Program loan as of December 31, 2020 is as follows:

<u>Years Ending December 31,</u>	
2021	\$ 333,607
2022	<u>194,553</u>
	<u>\$ 528,160</u>

7. RETIREMENT PLAN

The Organization sponsors a Simple IRA Plan covering all employees who elect to participate. Under the plan, the Organization contributes the lesser of 3% of the participant's wages or the participant's contribution. The Organization's contribution for the years ended December 31, 2020 and 2019 was \$24,688 and \$25,594, respectively.

8. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Organization leases operating facilities under leases which expire at various dates through March 2022. Rent expense under these operating leases for the years ended December 31, 2020 and 2019 was approximately \$125,000 and \$132,000, respectively.

The Organization also leases office equipment under non-cancelable leases through March 2026. Rent expense under these operating leases was approximately \$26,000 and \$28,000, respectively, for the years ended December 31, 2020 and 2019.

ADULTS MANKIND ORGANIZATION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

8. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating Leases

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

2021	\$	129,000
2022		18,000
2023		6,000
2024		6,000
2025		6,000
Thereafter		1,000
	\$	<u>166,000</u>

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.

The Organization is closely monitoring the impact of a novel strain of coronavirus ("COVID-19") on its grants and contracts receivable. The Organization's operations are heavily dependent on grants and contracts from federal, state, and local governments to provide services to the public. Additionally, funding from governmental sources may be subject to budget modifications depending on appropriations by the source. The Organization has incurred, and it is expected to incur for the foreseeable future, incremental and other COVID-19 pandemic-related expenses. The Organization has been in contact with their grantors and management considers all grants and contracts as collectible. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full impact that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the COVID-19 outbreak. Nevertheless, the COVID-19 outbreak presents material uncertainty and risk with respect to the Center, its performance, and its financial results.

Although the Organization cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, it may have an adverse effect on the Center's results of future operations, financial position, and liquidity in fiscal year 2021. Management is currently assessing the impact of these conditions and continues to explore various options to minimize the financial impact, however the ultimate outcome is not known at this time.

The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property. The Organization did not apply for any other CARES Act funding and noted no material impact from the other tax provisions.

On December 27, 2020, the President signed the Consolidated Appropriations Act, 2021 (the "Act"), which includes \$900 billion in stimulus relief as a result of COVID-19. The Organization is currently evaluating the impact of the Act.

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS,
UNIFORM GUIDANCE AND FLORIDA SINGLE AUDIT ACT



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

To the Board of Directors
Adults Mankind Organization, Inc.
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 Adults Mankind Organization, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2020, 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 July 27, 2021.

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") as a basis for designing 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 or significant deficiencies 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 financial statement. 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.

Miami, Florida
July 27, 2021

BDO USA, LLP

Certified Public Accountants

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

To the Board of Directors
Adults Mankind Organization, Inc.
Miami, Florida

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 State of Florida Auditor General 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, 2020. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards 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 State of Florida Auditor General ("Chapter 10.650"). 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 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, 2020.

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.

Purpose of this Report

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.

Miami Florida
July 27, 2021

BDO USA, LLP

Certified Public Accountants

ADULTS MANKIND ORGANIZATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal/State Grantor, Pass-through Grantor, Federal Program/State Project or Cluster Title	CFDA/ CSFA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal/State Expenditures
FEDERAL AWARDS:				
U.S. Department of Health and Human Services				
Passed Through State of Florida to South Florida Workforce Investment Board				
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	RET-DP-PY'19-01-01	\$ -	\$ 853,637
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	RET-DP-PY'20-01-01	-	299,970
Total Refugee and Entrant Assistance State/Replacement Designee Administered Programs - Targeted Assistance Grants			-	1,153,607
Temporary Assistance for Needy Families: City of Miami Gardens Summer Youth Program	93.558	WS-YS-SP-PY'19-19-01	-	142,675
Total U.S. Department of Health and Human Services			-	1,296,282
U.S. Department of Labor				
Passed Through State of Florida to South Florida Workforce Investment Board				
WIOA Youth Activities:				
WIOA/WIOA Youth Activities (In School Youth)	17.259	WS-YS-ISY-PY'19-08-01	-	171,157
WIOA/WIOA Youth Activities (In School Youth)	17.259	WS-YS-ISY-PY'20-08-01	-	179,283
WIOA/WIOA Youth Activities (Out of School Youth)	17.259	WS-YS-OSY-PY'19-08-00	-	326,406
WIOA/WIOA Youth Activities (Out of School Youth)	17.259	WS-YS-OSY-PY'20-08-01	-	232,910
Total WIOA Youth Activities			-	909,756
Total U.S. Department of Labor			-	909,756
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 2,206,038
STATE FINANCIAL ASSISTANCE:				
State of Florida Department of Legal Affairs and Attorney General				
Minority Communities Crime Prevention Program - Adults Mankind Organization	41.007		-	406,150
Minority Communities Crime Prevention Program - Adults Mankind Organization	41.007		-	511,896
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ -	\$ 918,046

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

ADULTS MANKIND ORGANIZATION, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED DECEMBER 31, 2020

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") include the federal and state grant activity of Adults Mankind Organization, Inc. under programs of the federal government and the State of Florida for the year ended December 31, 2020. 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 State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of Adults Mankind Organization, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Adults Mankind Organization, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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. INDIRECT COST RATE

Adults Mankind Organization, Inc. has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

ADULTS MANKIND ORGANIZATION, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards and State Financial Assistance

Internal control over major federal program/state project:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified? _____ Yes X None Reported

Type of auditor's report issued on compliance for major federal program/state project: 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 program or cluster and state project:

<u>CFDA/CSFA Number</u>	<u>Name of Federal Program or Cluster and State Project</u>
93.566 (Federal program)	Refugee and Entrant Assistance State/Replacement Designee Administered Programs
41.007 (State project)	Minority Communities Crime Prevention Program - Adults Mankind Organization

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

Federal Programs \$ 750,000

State Projects \$ 750,000

Auditee qualified as low-risk auditee? X Yes _____ No

ADULTS MANKIND ORGANIZATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

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

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

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) and state projects (as defined in Chapter 10.650) that are required to be reported.