

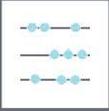
**MIAMI BRIDGE YOUTH AND
FAMILY SERVICES, INC.**

FINANCIAL STATEMENTS, ADDITIONAL
INFORMATION AND INDEPENDENT
AUDITORS' REPORT

JUNE 30, 2016 AND 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Miami Bridge Youth and Family Services, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Miami Bridge Youth and Family Services, Inc. ("Miami Bridge") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 Miami Bridge Youth and Family Services, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General of the State of Florida*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2016, on our consideration of Miami Bridge'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 Miami Bridge's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 7, 2016

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|----------------------------|----------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 916,393 | \$ 896,621 |
| Contract and grant funds receivable | 402,593 | 419,698 |
| Prepaid expenses and other assets | 49,054 | 64,042 |
| TOTAL CURRENT ASSETS | <u>1,368,040</u> | <u>1,380,361</u> |
| PROPERTY AND EQUIPMENT, NET | <u>930,520</u> | <u>751,908</u> |
| TOTAL ASSETS | <u><u>\$ 2,298,560</u></u> | <u><u>\$ 2,132,269</u></u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 99,425 | \$ 57,697 |
| Accrued expenses | 97,279 | 162,665 |
| TOTAL CURRENT LIABILITIES | <u>196,704</u> | <u>220,362</u> |
| COMMITMENTS | | |
| NET ASSETS | | |
| Unrestricted net assets | | |
| Available for current operations | 1,123,564 | 1,018,670 |
| Net investment in property and equipment | 930,520 | 751,908 |
| Total unrestricted net assets | <u>2,054,084</u> | <u>1,770,578</u> |
| Temporarily restricted net assets | <u>47,772</u> | <u>141,329</u> |
| TOTAL NET ASSETS | <u>2,101,856</u> | <u>1,911,907</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 2,298,560</u></u> | <u><u>\$ 2,132,269</u></u> |

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

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|---------------------|
| SUPPORT AND REVENUES: | | | |
| Government contracts and grant revenues | \$ 2,592,286 | \$ - | \$ 2,592,286 |
| Contracted client fees | 528,490 | - | 528,490 |
| United Way allocations | 176,099 | - | 176,099 |
| Foundation grants and other contributions | 56,298 | 40,000 | 96,298 |
| Special events | 138,396 | - | 138,396 |
| In-kind contributions | 100,773 | - | 100,773 |
| Other contributions | 47,568 | - | 47,568 |
| Interest and other income | 10,289 | - | 10,289 |
| Net assets released for restrictions | 133,557 | (133,557) | - |
| TOTAL SUPPORT AND REVENUES | <u>3,783,756</u> | <u>(93,557)</u> | <u>3,690,199</u> |
| EXPENSES: | | | |
| Program services | 3,193,919 | - | 3,193,919 |
| General and administrative | 116,609 | - | 116,609 |
| Marketing and fundraising | 189,722 | - | 189,722 |
| TOTAL EXPENSES | <u>3,500,250</u> | <u>-</u> | <u>3,500,250</u> |
| CHANGE IN NET ASSETS | 283,506 | (93,557) | 189,949 |
| NET ASSETS AT BEGINNING OF YEAR | <u>1,770,578</u> | <u>141,329</u> | <u>1,911,907</u> |
| NET ASSETS AND END OF YEAR | <u>\$ 2,054,084</u> | <u>\$ 47,772</u> | <u>\$ 2,101,856</u> |

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

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

| | Unrestricted | Temporarily Restricted | Total |
|--|---------------------|---------------------------|---------------------|
| SUPPORT AND REVENUES: | | | |
| Government contracts and grant revenues | \$ 2,465,999 | \$ 107,209 | \$ 2,573,208 |
| Contracted client fees | 466,980 | - | 466,980 |
| United Way allocations | 176,360 | - | 176,360 |
| Foundation grants | 120,259 | - | 120,259 |
| Special events | 124,550 | - | 124,550 |
| In-kind contributions | 64,762 | - | 64,762 |
| Other contributions | 42,091 | - | 42,091 |
| Interest and other income | 8,360 | - | 8,360 |
| Net assets released from restrictions | 58,568 | (58,568) | - |
| TOTAL SUPPORT AND REVENUES | <u>3,527,929</u> | <u>48,641</u> | <u>3,576,570</u> |
| EXPENSES: | | | |
| Program services | 3,162,279 | - | 3,162,279 |
| General and administrative | 114,520 | - | 114,520 |
| Marketing and fundraising | 172,692 | - | 172,692 |
| TOTAL EXPENSES | <u>3,449,491</u> | <u>-</u> | <u>3,449,491</u> |
| CHANGE IN NET ASSETS | 78,438 | 48,641 | 127,079 |
| NET ASSETS AT BEGINNING OF YEAR - AS RESTATED | <u>1,692,140</u> | <u>92,688</u> | <u>1,784,828</u> |
| NET ASSETS AND END OF YEAR | <u>\$ 1,770,578</u> | <u>\$ 141,329</u> | <u>\$ 1,911,907</u> |

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

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 189,949 | \$ 127,079 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation expense | 119,947 | 95,387 |
| (Increase) decrease in assets | | |
| Contract and grant funds receivable | 17,105 | 12,471 |
| Prepaid expenses and other assets | 14,988 | (44,754) |
| Increase (decrease) in liabilities | | |
| Accounts payable | 41,728 | 19,433 |
| Accrued expenses | (65,386) | 70,518 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>318,331</u> | <u>280,134</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | <u>(298,559)</u> | <u>(51,476)</u> |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(298,559)</u> | <u>(51,476)</u> |
| NET INCREASE IN CASH DURING THE YEAR | 19,772 | 228,658 |
| CASH AT BEGINNING OF YEAR | <u>896,621</u> | <u>667,963</u> |
| CASH AT END OF YEAR | <u>\$ 916,393</u> | <u>\$ 896,621</u> |
| SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION | | |
| Interest paid during the year | <u>\$ 4,240</u> | <u>\$ 5,207</u> |
| Cash proceeds from sale of fixed assets | <u>\$ 3,200</u> | <u>\$ -</u> |

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

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

| | Program Services | | | | Supporting Services | | 2016 Total |
|------------------------------------|--------------------|-----------------------|--------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------|
| | Non Residential | CINSFINS - Shelter | Dependency (Shelters) | TCT Liberty City Center | Marketing & Fund Raising | General & Administrative | |
| FUNCTIONAL EXPENSES | | | | | | | |
| Salaries | \$ 492,463 | \$ 994,983 | \$ 331,661 | \$ 20,309 | \$ 41,259 | \$ 64,254 | \$ 1,944,929 |
| Fringe Benefits | 86,286 | 177,062 | 59,021 | 3,731 | 6,830 | 11,030 | 343,960 |
| Professional Fees | 20,074 | 38,897 | 12,966 | 3,460 | 28,843 | 11,388 | 115,628 |
| Fundraising | 145 | 261 | 87 | 6 | 93,515 | 52 | 94,066 |
| Office Supplies & Expenses | 5,987 | 18,522 | 6,174 | 328 | 3,918 | 1,524 | 36,453 |
| Client Program Expenses | 36,994 | 189,323 | 62,782 | 1,995 | - | - | 291,094 |
| Telephone and Telecommunications | 21,206 | 32,861 | 10,954 | 441 | 1,316 | 2,126 | 68,904 |
| Postage & Shipping | 495 | 1,157 | 386 | 20 | 114 | 174 | 2,346 |
| Facility Management | 30,355 | 183,612 | 61,204 | 850 | 642 | 1,767 | 278,430 |
| Printing and Publication | 926 | 2,493 | 831 | 34 | 182 | 6,555 | 11,021 |
| Conferences and Meetings | 15,213 | 20,193 | 6,731 | 295 | 2,343 | 2,382 | 47,157 |
| Dues and Subscriptions | 7,439 | 13,786 | 4,595 | 324 | 2,196 | 2,962 | 31,302 |
| Interest and Finance Expenses | 581 | 1,080 | 360 | 23 | 2,131 | 209 | 4,384 |
| Insurance | 23,340 | 42,926 | 14,309 | 934 | 4,668 | 8,402 | 94,579 |
| Miscellaneous & Other Exp. | 110 | 416 | 139 | 9 | 24 | 47 | 745 |
| Depreciation Expense | 5,394 | 83,487 | 27,829 | 216 | 1,079 | 1,942 | 119,947 |
| Recruiting, Training and Relations | 3,484 | 6,924 | 2,308 | 132 | 662 | 1,795 | 15,305 |
| TOTAL FUNCTIONAL EXPENSES | \$ 750,492 | \$ 1,807,983 | \$ 602,337 | \$ 33,107 | \$ 189,722 | \$ 116,609 | \$ 3,500,250 |

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

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

| | Program Services | | | | Suporting Services | | 2015 Total |
|------------------------------------|--------------------|-----------------------|--------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------|
| | Non Residential | CINSFINS - Shelter | Dependency (Shelters) | TCT Liberty City Center | Marketing & Fund Raising | General & Administrative | |
| FUNCTIONAL EXPENSES | | | | | | | |
| Salaries | \$ 519,498 | \$ 951,019 | \$ 317,006 | \$ 82,831 | \$ 32,172 | \$ 56,963 | \$ 1,959,489 |
| Fringe Benefits | 104,259 | 192,842 | 64,281 | 17,268 | 5,477 | 10,337 | 394,464 |
| Proferssional Fees | 25,645 | 53,356 | 17,785 | 6,699 | 35,633 | 18,116 | 157,234 |
| Fundraising | 42 | 73 | 24 | - | 80,622 | 33 | 80,794 |
| Office Supplies & Expenses | 5,967 | 10,966 | 3,655 | 233 | 717 | 1,177 | 22,715 |
| Client Program Expenses | 2,872 | 145,618 | 48,214 | 10,917 | 531 | - | 208,152 |
| Telephone and Telecommunications | 11,798 | 29,781 | 9,927 | 1,527 | 1,296 | 2,135 | 56,464 |
| Postage & Shipping | 563 | 1,372 | 457 | 14 | 356 | 168 | 2,930 |
| Facility Management | 21,939 | 175,213 | 58,404 | 8,467 | 1,467 | 3,140 | 268,630 |
| Printing and Publication | 4,341 | 6,759 | 2,253 | 112 | 790 | 682 | 14,937 |
| Conferences and Meetings | 14,062 | 18,113 | 6,038 | 928 | 1,694 | 2,182 | 43,017 |
| Dues and Subscriptions | 2,024 | 20,851 | 6,950 | 98 | 501 | 807 | 31,231 |
| Interest and Finance Expenses | 974 | 1,762 | 587 | 41 | 1,488 | 355 | 5,207 |
| Insurance | 23,235 | 41,823 | 13,941 | 929 | 4,647 | 8,365 | 92,940 |
| Miscellaneous & Other Exp. | 739 | 1,549 | 516 | 30 | 148 | 212 | 3,194 |
| Depreciation Expense | 23,847 | 42,924 | 14,308 | 954 | 4,769 | 8,585 | 95,387 |
| Recruiting, Training and Relations | 2,645 | 6,137 | 2,046 | 231 | 384 | 1,263 | 12,706 |
| TOTAL FUNCTIONAL EXPENSES | \$ 764,450 | \$ 1,700,158 | \$ 566,392 | \$ 131,279 | \$ 172,692 | \$ 114,520 | \$ 3,449,491 |

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

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Miami Bridge Youth and Family Services, Inc. (“Miami Bridge”), is a not-for-profit organization incorporated in the State of Florida in 1985. It is a social service agency committed to providing opportunities to promote positive youth development, and strengthen and support families to enable children to actualize their full potential to become productive community members. Miami Bridge serves families and their children ages 10-17, who are runaway or otherwise homeless, abused, neglected, abandoned and those at risk of dropping out of school or becoming delinquent.

The services provided by Miami Bridge include full scope temporary emergency shelter services for youth; family crisis intervention counseling and case management services as well as advocacy for families and children.

Temporary Emergency Shelter Services

Miami Bridge operates two temporary emergency shelters located on its Miami and Homestead, Florida campuses. The Miami shelter is licensed for 28 beds and the Homestead shelter is licensed for 20 beds, available for youth ages 10-17. Shelter services also include: individual, group, and family counseling; basic elements of physical care (room, board and clothing); a full-time academic education program (through an on-site alternative education outreach program of Miami-Dade County Public Schools); recreational activities; youth development programming; case management; and physical and mental health and substance abuse prevention counseling services (provided onsite through professional interagency agreements). Intake services are available 24 hours per day. The following is a description of the shelter care programs offered by Miami Bridge:

Children and Families in Need of Service (CINS/FINS) Shelter Care Program

Miami Bridge contracts with The Florida Network of Youth and Family Services, Inc. to provide temporary shelter care services via State of Florida Department of Juvenile Justice funding for runaway, homeless, truant, and ungovernable teens that are not under the supervision of, nor in the custody of, the Department of Children and Families. The U.S. Department of Health and Human Services also provides RHYA Basic Center Grant funding for this at-risk population.

Dependency Shelter Care Program

Both shelters also deliver temporary emergency shelter care programming for youth adjudicated dependents and whose custody lies with the State of Florida Department of Children and Families (DCF). Miami Bridge contracts with five local, full case management agencies to provide shelter services for these dependent youth.

CINS/FINS Family Crisis Intervention Counseling Services

First Stop for Families Program

The First Stop for Families Program is a designated provider of CINS/FINS Centralized Intake and Non-residential Family Intervention Counseling Services for ungovernable, truant, runaway, and homeless youth who are not adjudicated, dependent, and delinquent. To address the needs of families in crisis, First Stop for Families provides an array of services designed to preserve the unity and integrity of the family and to emphasize parental responsibility for their children’s behavior. First Stop for Families provides immediate crisis intervention office based counseling and case management services designed to stabilize family functioning and provide referrals for long term wrap around services. Miami Bridge contracts with The Florida Network of Youth and Family Services, Inc., to provide Family Crisis Intervention Counseling Services.

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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

Basis of Accounting

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

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

Unrestricted – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted – Net assets subject to donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released for restrictions. As of June 30, 2016 and 2015, temporarily restricted assets totaled \$47,772 and \$141,329, respectively.

Permanently Restricted Fund– Net assets subject to donor-imposed stipulations that must be maintained permanently by Miami Bridge. Generally, earnings from endowed contributions and investments are restricted for specific purposes. There are no permanently restricted net assets.

Restricted Contributions Whose Restrictions Are Met in the Same Reporting Period

Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted within the unrestricted fund.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires Miami Bridge’s 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.

Cash and Cash Equivalents

For purposes of reporting cash flows, Miami Bridge considers demand deposits, money market accounts, investments acquired with original maturities of three months or less to be cash and cash equivalents.

Property and Equipment

Miami Bridge capitalizes all property and equipment in excess of \$1,000. Miami Bridge’s property and equipment, is recorded at cost. Donated items are recorded at fair value at date of donation. Depending on donor restrictions, donated plant assets are included in permanently restricted, temporarily restricted, or unrestricted net assets. In the absence of donor restriction, the contributions of property and equipment are reported as unrestricted support. Depreciation is computed using the straight-line method over the following estimated lives of assets:

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Property and Equipment (Continued)

| | <u>Years</u> |
|----------------------------------|--------------|
| Building | 30 |
| Building improvements | 10 |
| Office furniture and equipment | 5 |
| Facility furniture and equipment | 5 |
| Transportation equipment | 5 |

Property and equipment acquired with government grantor funds are capitalized. However, the government grantor agencies maintain a reversionary interest in such assets acquired with their funds, which includes the determination of use of any proceeds derived from the sale of those assets.

Deferred revenue

Miami Bridge is the recipient of cost reimbursement grant money. The revenue is recognized as the specified costs described in the grant agreements are incurred. Amounts collected in advance of incurring specified costs are reflected as deferred revenue.

Contributions

Miami Bridge records contributions in accordance with FASB ASC. Under FASB ASC, grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Grant Revenue

Grant revenue is considered earned and is reported as unrestricted revenues when expenditures are incurred in compliance with specific grant requirements. Grants from governmental agencies, which are unit cost contracts, are recognized as revenue when the units of service are delivered. Grant revenues are recorded as unrestricted support in the accompanying statement of activities because the grant restrictions have been met in the reporting period. Accordingly, amounts collected in advance are deferred and reported as income in the month in which the services are rendered.

Donated Material and Services

Miami Bridge records donated materials at their estimated fair value at date of contribution.

Miami Bridge utilizes master and bachelor level Social Work and Mental Health Counseling interns for the benefit of its Non-Residential Counseling Services program, through agreements with Florida International University, Nova Southeastern University and Barry University. The agency has also recorded professional services rendered by partner agencies and other professional organizations. These services are recorded at estimated fair value of the professional services provided. In the year ended June 30, 2016 and 2015, Miami Bridge received program services of \$100,773 and \$64,762, respectively.

A substantial number of volunteers donate significant amounts of their time to Miami Bridge's programs primarily for routine services that do not require specialized skills. These services are not considered to create or enhance nonfinancial assets. Accordingly, no amounts have been recorded in the accompanying financial statements for these donated services.

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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

Income Taxes

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

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

The U.S. Federal jurisdiction is the major tax jurisdiction where Miami Bridge files income tax returns. Miami Bridge is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2013.

Reclassifications

Certain balances reported in the financial statements for the year ended June 30, 2015, have been reclassified to conform to the presentation for the year ended June 30, 2016.

Functional Expenses

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

Subsequent Events

Miami Bridge has evaluated subsequent events through October 7, 2016, which is the date the financial statements were available to be issued.

NOTE 2 – PROPERTY AND EQUIPMENT, NET

Property and equipment at June 30, 2016 and 2015, is summarized as follows:

| | 2016 | 2015 |
|---|--------------------|--------------------|
| Building | \$ 1,608,200 | \$ 1,544,407 |
| Building improvements | 553,222 | 553,222 |
| Office furniture and equipment | 48,631 | 48,631 |
| Facility furniture and equipment | 134,769 | 45,460 |
| Transportation equipment | 94,544 | 82,757 |
| | <u>2,439,366</u> | <u>2,274,477</u> |
| Less: Accumulated depreciation and amortization | <u>(1,579,772)</u> | <u>(1,522,569)</u> |
| | 859,594 | 751,908 |
| Construction in progress | 70,926 | - |
| | <u>\$ 930,520</u> | <u>\$ 751,908</u> |

Depreciation expense amounted to \$119,947 in 2016 and \$95,387 in 2015. Miami Bridge is in the process of completing the roof and fire alarm construction projects. These projects are estimated to incur additional costs of approximately \$53,000 after year end and are expected to be completed by November 2016.

NOTE 3 – PENSION PLAN

Miami Bridge sponsors a defined contribution retirement plan covering substantially all of its full-time employees. Contributions to the plan are calculated at 3% of an eligible employee's gross pay. Employees become eligible for active plan participation after completing one year of service. Upon eligibility, all contributions made on behalf of an employee become fully vested. For the years ended June 30, 2016 and 2015, pension cost amounted to \$25,051 and \$26,387, respectively.

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 4 – SHORT TERM DEBT

Miami Bridge has a \$200,000 revolving line of credit facility from Bank of America with interest stated at the New York prime rate, plus 1% payable monthly; the line of credit expires on September 26, 2017. There is no amount outstanding as at June 30, 2016.

NOTE 5 – CONCENTRATIONS AND CREDIT RISK

Miami Bridge is funded primarily through various annually renewable grants from the State of Florida Departments of Children and Families and Juvenile Justice and the U.S. Department of Health and Human Services. Any funding source may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by Miami Bridge with the terms of the grants or contracts.

Miami Bridge maintains cash balances at several financial institutions located in South Florida. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times cash balances may temporarily be in excess of the Federal Deposit Insurance Coverage insurance limit.

NOTE 6 – COMMITMENTS

Miami Bridge's Miami facility was constructed on land made available by the City of Miami and the State of Florida through a twenty-year revocable permit issued by the City of Miami in June 1990. The permit is renewable when the original term expires. In October 2010, the lease was renewed for an initial term of seven years with an option to renew for two additional five year terms at the City of Miami's discretion. The site is leased for \$500 per month from the City of Miami, which has a reversionary interest on the central facility property when the permit term expires.

The Homestead facility was constructed on land leased to Miami Bridge by the City of Homestead, Florida. The lease commenced on July 15, 1990 with a thirty-year term, an option to renew for an additional thirty years, and annual lease payments of \$2,500. On May 18, 2011, by resolution NO.R2011-05-42, the City of Homestead and Miami-Dade County agreed to an exchange of properties, placing the Homestead facility under the ownership of Miami-Dade County. The County will continue leasing to Miami Bridge under the terms of the Business Lease dated July 15, 1990.

Total future minimum lease payments due under the permit from the City of Miami, the lease with the City of Miami-Dade County and various other operating leases, are as follows.

| <u>Year</u> | <u>Minimum Lease Payment</u> |
|-------------|--------------------------------------|
| 2017 | 30,811 |
| 2018 | 26,257 |
| 2019 | 24,757 |
| | <u>\$81,825</u> |

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2016 and 2015 consisted of the following:

| | <u>2016</u> | <u>2015</u> |
|---------------------|------------------|-------------------|
| Capital grants | \$ - | \$ 18,863 |
| Leadership Miami | 7,772 | 7,771 |
| Foundation & grants | <u>40,000</u> | <u>114,695</u> |
| | <u>\$ 47,772</u> | <u>\$ 141,329</u> |

SUPPLEMENTARY INFORMATION

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016

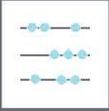
| Grantor/Program Title | CFDA / CSFA Number | Grant Award Number | Expenditure |
|--|--------------------------|--------------------------|--------------|
| FEDERAL FINANCIAL ASSISTANCE | | | |
| Department of Health and Human Services | | | |
| <i>Pass-through State of Florida</i> | | | |
| <i>Department of Juvenile Justice</i> | | | |
| Foster Care Title IV-E | 93.658 | N/A | 66,502 |
| Department of Health and Human Services | | | |
| Family and Youth Services Bureau | 93.623 | 90CY6698-01-00 | 200,000 |
| Department of Agriculture | | | |
| <i>Pass-through State of Florida</i> | | | |
| <i>Department of Education</i> | | | |
| National School Lunch Program | 10.555 | N/A | 45,869 |
| Department of Housing and Urban Development | | | |
| <i>Pass-through City of Homestead</i> | | | |
| City of homestead-Community Development Bock Grant | 14.218 | N/A | 32,714 |
| TOTAL FEDERAL AWARDS | | | \$ 345,085 |
| STATE FINANCIAL ASSISTANCE | | | |
| State of Florida Department of Juvenile Justice | | | |
| Children in Need of Service and | | | |
| Families in Need of Service | 80.005 | N/A | \$ 2,099,051 |
| Domestic Violence Respite | 81.005 | N/A | 54,311 |
| TOTAL STATE FINANCIAL ASSISTANCE | | | \$ 2,153,362 |

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

MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the Federal and State of Florida grant activity of Miami Bridge Youth and Family Services, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Florida Single Audit Act.



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

To the Board of Directors of
Miami Bridge Youth and Family Services, 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 Miami Bridge Youth and Family Services, Inc. ("Miami Bridge") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2016.

Internal Control Over Financial Reporting

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

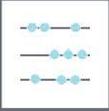
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Miami Bridge's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 7, 2016



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

To the Board of Directors of
Miami Bridge Youth and Family Services, Inc.

Report on Compliance for Each Major State Project

We have audited Miami Bridge Youth and Family Services, Inc's ("Miami Bridge") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Miami Bridge's major State projects for the year ended June 30, 2016. Miami Bridge's major 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 State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Miami Bridge's major 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; and Chapter 10.650, Rules of the Auditor General. Those standards, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about Miami Bridge'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 State project. However, our audit does not provide a legal determination of Miami Bridge's compliance.

Opinion on Each Major State Project

In our opinion, Miami Bridge Youth and Family Services, Inc. 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 State projects for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Miami Bridge Youth and Family Services, Inc. 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 Miami Bridge's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 State project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Miami Bridge'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 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 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 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 results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 7, 2016

**MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
 STATE PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2016**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

State Project

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

Internal control over major projects:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650 "Rules of the Auditor General?" yes no

Identification of major projects:

| Name of State Project | CSFA Number | Expenditures |
|---|-------------|--------------|
| Children In Need of Service and Families In Need of Service | 80.005 | \$2,099,051 |
| Dollar threshold used to distinguish between type A and type B projects | \$300,000 | |
| Auditee qualified as low-risk auditee? | N/A | |

**MIAMI BRIDGE YOUTH AND FAMILY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2016**

SECTION II – FINANCIAL STATEMENT FINDINGS

The audit disclosed no matters that are reportable for the current year.

**SECTION III – FINDINGS AND QUESTIONED COSTS - STATE FINANCIAL ASSISTANCE
PROJECTS**

The audit disclosed no matters that are reportable for the current year.

SECTION IV – OTHER ISSUES

1. No management letter was issued for the year ended June 30, 2016.
2. A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to State projects.
3. A Corrective Action Plan is not required because there were no findings required to be reported under the Florida Single Audit Act.