
URBAN ACTION
COMMUNITY DEVELOPMENT LLC
REPORTS REQUIRED BY
FLORIDA SINGLE AUDIT ACT
DECEMBER 31, 2013

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REPORTS REQUIRED BY FLORIDA SINGLE AUDIT ACT

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**Independent Auditors' Report On
Compliance For Each Major
State Project; Report On
Internal Control Over Compliance Required
By Chapter 10.650, Rules Of The Florida Auditor General;
And Report On Schedule
Of Expenditures Of State Financial Assistance**

Members
Urban Action Community Development LLC
Baltimore, Maryland

Report On Compliance For Each State Project

We have audited Urban Action Community Development LLC's 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 Urban Action Community Development LLC's major State projects for the year ended December 31, 2013. Urban Action Community Development LLC's major State project is identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Urban Action Community Development LLC's State project 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 Florida Auditor General. Those standards 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 State project occurred. An audit includes examining, on a test basis, evidence about Urban Action Community Development LLC'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 Urban Action Community Development LLC's compliance.

Opinion On Each Major State Project

In our opinion, Urban Action Community Development LLC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State project for the year ended December 31, 2013.

Report On Internal Control Over Compliance

Management of Urban Action Community Development LLC 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 Urban Action Community Development LLC's internal control over compliance with the types of requirements that could have a direct and material effect on the 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 Florida 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 Urban Action Community Development LLC'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 the results of that testing based on the requirements of Chapter 10.650, Rules of the Florida Auditor General. Accordingly, this report is not suitable for any other purpose.

Report On Schedule Of Expenditures Of State Financial Assistance

We have audited the financial statements of Urban Action Community Development LLC as of and for the year ended December 31, 2013, and have issued our report thereon dated April 30, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.650 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 state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

RubinBrown LLP

September 26, 2014

URBAN ACTION COMMUNITY DEVELOPMENT LLC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROJECTS
December 31, 2013

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on Urban Action Community Development LLC basic financial statements.
2. No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Urban Action Community Development LLC were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over a major State project were reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major State Project and on Internal Control Over Compliance in Accordance with Chapter 10.650, Rules of the Florida Auditor General.
5. The auditor's report on compliance with requirements that could have a direct and material effect on each major State project for Urban Action Community Development LLC expresses an unmodified opinion.
6. Our audit disclosed no findings required to be reported related to State projects required to be disclosed under Chapter 10.656, Rules of the Florida Auditor General.

The project tested as a major project included the following:

<u>State Project</u>	<u>State CSFA No.</u>	<u>Year</u>
Department of Economic Opportunity	40.020	2013

7. The threshold for distinguishing Type A and Type B projects was \$500,000 for major State projects.

B. FINDINGS - FINANCIAL STATEMENTS

There are no findings to Urban Action Community Development LLC's financial statements as of December 31, 2013.

URBAN ACTION COMMUNITY DEVELOPMENT LLC

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE PROJECTS *(Continued)*
December 31, 2013**

C. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECT

There are no findings or questioned costs relating to the Florida Department of Economic Opportunity and their regulations over the State New Markets Development Program and the Department of Financial Services' State Projects Compliance Supplement.

D. OTHER ISSUES

The Supplemental Reports do not include the Summary Schedule of Prior Audit Findings because there were no prior auditing findings related to State Projects and no Corrective Action Plan is required because there were no findings required to be reported under the Florida Single Audit Act.

URBAN ACTION COMMUNITY DEVELOPMENT LLC
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
December 31, 2013

<u>STATE AGENCY</u>	<u>State CSFA Number</u>	<u>Grant Number</u>	<u>Project Expenditures</u>
Department of Economic Opportunity			
Direct Projects			
Florida New Markets Development Program:			
Qualified Low-Income Community Investment	40.020	N/A	<u>\$ 4,807,692</u>
Total Expenditures Of State Financial Assistance			<u><u>\$ 4,807,692</u></u>

Pursuant to the State of Florida New Market Tax Credits statute (the “Florida Statute”), Urban Action Community Development LLC (“Transferor”) applied for and received the authority to issue \$4,807,692 in Florida qualified investments (“Florida QIs”) on August 1, 2013 (“Order Date”). A qualified investment (“QI”) from UACD FL Investment Fund I, LLC (“Investment Fund”) to UACD Sub-CDE XIII, LLC (“UACD Sub-CDE 13”) for \$4,807,692 was completed within 60 days after the receipt of the Order Date on September 13, 2013. Pursuant to Section 288.9916, Florida Statutes, the tax credit holder may apply 7 percent of the purchase price against its tax liability in the tax year containing the third credit allowance date and 8 percent of the purchase price against its tax liability in the tax years containing the fourth through seventh credit allowance dates. As of December 31, 2013, the QI remains at UACD Sub-CDE 13. Subsequently, on April 16, 2014, a qualified low-income community investment (“QLICI”) loan was invested into a project that is a qualified active low-income community business (“QALICB”).