

ECKERD YOUTH ALTERNATIVES, INC.

SINGLE AUDIT REPORTS  
June 30, 2014

TABLE OF CONTENTS

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 .....	1-2
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.650 RULES OF THE AUDITOR GENERAL.....	3-5
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE .....	6-11
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE .....	12
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	13-14

**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**

Board of Directors  
Clearwater, 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 Eckerd Youth Alternatives, Inc. ("Eckerd"), which comprise the statement of financial position as of June 30, 2014, 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 December 3, 2014.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Eckerd'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 Eckerd's internal control. Accordingly, we do not express an opinion on the effectiveness of Eckerd'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.

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(Continued)

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Eckerd's financial statements are free of 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe Horwath LLP

Tampa, Florida  
December 3, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.650 RULES OF THE AUDITOR GENERAL**

Board of Directors  
Clearwater, Florida

**Report on Compliance for Each Major Federal Program and State Financial Assistance Project**

We have audited Eckerd Youth Alternatives, Inc.'s ("Eckerd") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Eckerd's major federal programs and state financial assistance projects for the year ended June 30, 2014. Eckerd's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Eckerd's major federal programs and state financial assistance 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, *Rules of the Auditor General*. Those standards and OMB Circular A-133, and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about Eckerd's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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(Continued)

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of Eckerd's compliance.

***Opinion on Each Major Federal Program and State Financial Assistance Project***

In our opinion, Eckerd 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 financial assistance project for the year ended June 30, 2014.

**Report on Internal Control Over Compliance**

Management of Eckerd 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 Eckerd'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 financial assistance 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 financial assistance project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eckerd'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 financial assistance 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 financial assistance 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 financial assistance 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 OMB Circular A-133 and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

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(Continued)

**Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General**

We have audited the financial statements of Eckerd as of and for the year ended June 30, 2014, and have issued our report thereon dated December 3, 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 federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.650, *Rules of the 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 expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

*Crowe Horwath LLP*

Crowe Horwath LLP

Tampa, Florida  
December 3, 2014

ECKERD YOUTH ALTERNATIVES, INC.  
SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
Year Ended June 30, 2014

Federal Grantor/Program Title/ Pass through Grantor	Federal CFDA Number	Contract Number	Federal Expenditures	Amount Provided to Subrecipients
<b>U.S. Department of Agriculture</b>				
<b>School Breakfast Program</b>				
Passed through State of Florida Department of Education		01-0112	\$ 58,966	\$ -
Passed through State of North Carolina Department of Public Instruction, Division of Child Nutrition		1142	<u>37,695</u>	-
<b>Total School Breakfast Program</b>	<b>10.553</b>		<u>96,661</u>	<u>-</u>
<b>School Lunch Program</b>				
Passed through State of Florida Department of Education		01-0112	92,886	-
Passed through State of North Carolina Department of Public Instruction, Division of Child Nutrition		1142	<u>56,442</u>	-
<b>Total School Lunch Program</b>	<b>10.555</b>		<u>149,328</u>	<u>-</u>
<b>Afterschool Snack Program</b>				
Passed through State of Florida Department of Education		01-0112	18,087	-
Passed through State of North Carolina Department of Public Instruction, Division of Child Nutrition		1142	<u>11,578</u>	-
<b>Total Afterschool Snack Program</b>	<b>10.555</b>		<u>29,665</u>	<u>-</u>
<b>Commodity Food Program</b>				
Received through State of Florida Department of Agriculture and Consumer Services		N/A	11,574	-
Received through State of North Carolina Department of Agriculture		N/A	<u>1,176</u>	-
<b>Total Commodity Food Program</b>	<b>10.569</b>		<u>12,750</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<u>288,404</u>	<u>-</u>

(Continued)

ECKERD YOUTH ALTERNATIVES, INC.  
SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
Year Ended June 30, 2014

Federal Grantor/Program Title/ Pass through Grantor	Federal CFDA Number	Contract Number	Federal Expenditures	Amount Provided to Subrecipients
<b>U.S. Department of Education</b>				
<b>IDEA (Chapter I)</b>				
Passed through State of Florida - Pinellas County School Board		N/A	\$ 39,278	\$ -
Passed through State of North Carolina		N/A	756	-
<b>Total IDEA (Chapter I)</b>	<b>84.027</b>		<u>40,034</u>	<u>-</u>
<b>Title I (Chapter I)</b>				
Passed through State of Florida - Pinellas County School Board		N/A	121,273	-
Passed through State of North Carolina		N/A	30,114	-
<b>Total Title I (Chapter I)</b>	<b>84.013</b>		<u>151,387</u>	<u>-</u>
<b>Total U.S. Department of Education</b>			<u>191,421</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>				
<b>Substance Abuse</b>				
Passed through Central Florida Cares Health System		EYA15	143,715	-
Passed through Lutheran Services		NE027	747,853	-
<b>Total Substance Abuse</b>	<b>93.959</b>		<u>891,568</u>	<u>-</u>
<b>Temporary Assistance for Needy Families</b>				
Passed through State of Florida Department of Children and Families		QJ20R	5,433,534	3,478,114
Passed through State of Florida Department of Children and Families		QJ3E0	5,800,883	3,371,622
Passed through Brevard Family Partnership		SUP1301	31,038	-
Passed through State of North Carolina Department of Health and Human Services		28570	33,513	-
<b>Total Temporary Assistance for Needy Families</b>	<b>93.558*</b>		<u>11,298,968</u>	<u>6,849,736</u>

(Continued)

ECKERD YOUTH ALTERNATIVES, INC.  
SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
Year Ended June 30, 2014

Federal Grantor/Program Title/ Pass through Grantor	Federal CFDA Number	Contract Number	Federal Expenditures	Amount Provided to Subrecipients
<b>Grants to States for Access and Visitation Programs</b>				
Passed through Brevard Family Partnership		SUP1301	\$ 10,753	\$ -
Passed through State of Florida Department of Children and Families		QJ20R	40,653	10,567
<b>Total Grants to States for Access and Visitation Programs</b>	93.597		<u>51,406</u>	<u>10,567</u>
<b>Chafee Education and Training Vouchers Program</b>				
Passed through State of Florida Department of Children and Families		QJ20R	116,336	-
Passed through State of Florida Department of Children and Families		QJ3E0	240,372	-
<b>Total Chafee Education and Training Vouchers Program</b>	93.599		<u>356,708</u>	<u>-</u>
<b>Welfare Services - State Grants</b>				
Passed through State of Florida Department of Children and Families		QJ20R	699,937	409,566
Passed through Brevard Family Partnership		SUP1301	4,693	-
Passed through State of Florida Department of Children and Families		QJ3E0	873,187	516,972
<b>Total Welfare Services - State Grants</b>	93.645		<u>1,577,817</u>	<u>926,538</u>
<b>Promoting Safe and Stable Families</b>				
Passed through State of Florida Department of Children and Families		QJ20R	1,273,676	638,380
Passed through State of Florida Department of Children and Families		QJ3E0	1,494,677	1,475,780
<b>Total Promoting Safe and Stable Families</b>	93.556*		<u>2,768,353</u>	<u>2,114,160</u>
<b>Foster Care Title IVE</b>				
Passed through Brevard Family Partnership		SUP1301	42,900	-
Passed through State of Florida Department of Children and Families		QJZ41	640,598	-
Passed through State of Florida Department of Children and Families		QJ20R	14,882,995	8,510,477
Passed through State of Florida Department of Children and Families		QJ3E0	13,981,007	7,698,263
<b>Total Foster Care Title IVE</b>	93.658		<u>29,547,500</u>	<u>16,208,740</u>

(Continued)

**ECKERD YOUTH ALTERNATIVES, INC.**  
**SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**Year Ended June 30, 2014**

Federal Grantor/Program Title/ Pass through Grantor	Federal CFDA Number	Contract Number	Federal Expenditures	Amount Provided to Subrecipients
<b>Adoption Assistance</b>				
Passed through Brevard Family Partnership		SUP1301	\$ 9,926	\$ -
Passed through State of Florida Department of Children and Families		QJ20R	6,530,390	1,042,200
Passed through State of Florida Department of Children and Families		QJ3E0	<u>8,224,337</u>	<u>1,572,600</u>
<b>Total Adoption Assistance</b>	93.659		<u>14,764,653</u>	<u>2,614,800</u>
<b>Social Services Block Grant</b>				
Passed through State of Florida Department of Children and Families		QJ20R	3,606,202	1,668,759
Passed through State of Florida Department of Children and Families		QJ3E0	<u>3,741,823</u>	<u>2,080,634</u>
<b>Total Social Services Block Grant</b>	93.667*		<u>7,348,025</u>	<u>3,749,393</u>
<b>Administration for Children, Youth and Families - Child</b>				
Passed through State of Florida Department of Children and Families		QJ20R	67,696	17,271
Passed through State of Florida Department of Children and Families		QJ3E0	<u>51,738</u>	<u>38,460</u>
<b>Total Administration for Children, Youth and Families - Child</b>	93.669		<u>119,434</u>	<u>55,731</u>
<b>Independent Living</b>				
Passed through State of Florida Department of Children and Families		QJ20R	262,515	9,777
Passed through State of Florida Department of Children and Families		QJ3E0	<u>343,230</u>	<u>30,301</u>
<b>Total Independent Living</b>	93.674		<u>605,745</u>	<u>40,078</u>
<b>Medical Assistance Program</b>				
Passed through State of Florida Department of Children and Families		QJ20R	8,486	5,664
Passed through State of Florida Department of Children and Families		QJ3E0	<u>34,387</u>	<u>16,010</u>
<b>Total Medical Assistance Program</b>	93.778		<u>42,873</u>	<u>21,674</u>
<b>Adoption Incentive Payments</b>				
Passed through State of Florida Department of Children and Families		QJ20R	193,816	-
Passed through State of Florida Department of Children and Families		QJ3E0	<u>240,361</u>	<u>-</u>
<b>Total Adoption Incentive Payments</b>	93.603		<u>434,177</u>	<u>-</u>

(Continued)

ECKERD YOUTH ALTERNATIVES, INC.  
 SCHEDULE OF EXPENDITURES OF  
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 Year Ended June 30, 2014

Federal Grantor/Program Title/ Pass through Grantor	Federal CFDA Number	Contract Number	Federal Expenditures	Amount Provided to Subrecipients
<b>Preservation and Support Services</b>				
Passed through State of North Carolina Department of Health and Human Services		29045	\$ 83,533	\$ -
Passed through Brevard Family Partnership		SUP1301	578	-
Passed through State of Florida Department of Children and Families		QJ20R	81,811	52,228
Passed through State of Florida Department of Children and Families		QJ3E0	105,354	60,444
<b>Total Preservation and Support Services</b>	93.556		<u>271,276</u>	<u>112,672</u>
<b>Total U.S. Department of Health and Human Services</b>			70,078,503	32,704,089
<b>Erate</b>	84.XXX		<u>91,855</u>	-
<b>Total Federal Awards</b>			<u>\$ 70,650,183</u>	<u>\$ 32,704,089</u>

\* major federal program

See accompanying notes to the  
 Schedule of Expenditures of Federal Awards and State Financial Assistance.

ECKERD YOUTH ALTERNATIVES, INC.  
SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
Year Ended June 30, 2014

State Agency/Program Title/Contract Description	State CSFA Number	Contract Number	State Expenditures	Amount Provided to Subrecipients
Department of Juvenile Justice Passed through Evidence Based Associates Eckerd BFST Program	80.011		\$ 202,609	\$ -
<b>Total Department of Juvenile Justice</b>			<u>202,609</u>	<u>-</u>
Department of Children and Families Passed through Brevard Family Partnership	60.094	SUP1301	50,868	-
Out-of-home Supports		QJ20R	8,190,587	3,598,748
Out-of-home Supports		QJ3E0	8,745,822	4,696,082
	60.074**		<u>16,936,409</u>	<u>8,294,830</u>
In-home Supports		QJ20R	3,011,147	1,085,250
In-home Supports		QJ3E0	2,565,499	1,606,801
	60.075**		<u>5,576,646</u>	<u>2,692,051</u>
Independent Living		QJ20R	1,927,456	5,238
Independent Living		QJ3E0	2,180,178	28,573
	60.112**		<u>4,107,634</u>	<u>33,811</u>
<b>Total Department of Children and Families</b>			<u>26,671,557</u>	<u>11,020,692</u>
<b>Total State Financial Assistance</b>			<u>\$ 28,874,166</u>	<u>\$ 11,020,692</u>

\*\* major state projects

See accompanying notes to the  
Schedule of Expenditures of Federal Awards and State Financial Assistance.

ECKERD YOUTH ALTERNATIVES, INC.  
NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
Year Ended June 30, 2014

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Eckerd ("Eckerd") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations and the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and Chapter 10.650, Rules of the Auditor General of the State of Florida.

Eckerd Youth Alternatives, Inc. is the registered legal name with the State of Florida. However, the organization began doing business (d/b/a) as Eckerd in April 2011.

**NOTE 2 - CONTINGENCIES**

Expenditures incurred by Eckerd and the subgrantees associated with the execution of various grants are subject to audit and possible disallowance by the grantor agency. Eckerd would be held responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by a subgrantee if the subgrantee were not able to do so. Management believes that if audited, any adjustment for disallowed expenses would be immaterial in amount.

**NOTE 3 - NON-CASH ASSISTANCE/FEDERAL INSURANCE**

Eckerd had no non-cash assistance or Federal Insurance in force during the fiscal year.

ECKERD YOUTH ALTERNATIVES, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2014

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified	No
Significant deficiency(ies) identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted	No

**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

Internal control over major federal programs and state projects:	
Material weakness(es) identified	No
Significant deficiency(ies) identified not considered to be material weaknesses	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a), and Chapter 10.650	No

Identification of major programs:

<u>CFDA/CSFA Number</u>	<u>Name of Program</u>
<u>Federal:</u>	
93.556	Providing Safe and Stable Families
93.558	Temporary Assistance for Needy Families
93.667	Social Services Block Grant
<u>State:</u>	
60.074	Out-of-Home Supports
60.075	In-home Supports
60.112	Independent Living

Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	\$2,006,408
State	\$806,225
Auditee qualified as low-risk	Yes

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(Continued)

ECKERD YOUTH ALTERNATIVES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

No items noted.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No items noted.

**SECTION IV - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

No items noted.