

UNITED FOR FAMILIES, INC.

FINANCIAL STATEMENTS

FEBRUARY 15, 2014

UNITED FOR FAMILIES, INC.
TABLE OF CONTENTS
FEBRUARY 15, 2014

	<u>Page(s)</u>
Independent Auditors' Report	1 – 2
Financial Statements	
Statement of Activities	3
Statement of Functional Expenses	4
Notes to Financial Statements	5 – 6
Schedule of Expenditures of Federal Awards and State Financial Assistance	7 – 9
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 <i>Government Auditing Standards</i>	10 – 11
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and Major State Project and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, State of Florida	12 – 13
Schedule of Findings and Questioned Costs – Federal Awards Programs and State Financial Assistance Projects	14 – 15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
United for Families, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of United for Families, Inc., which comprise the related statements of activities and functional expenses for the seven-month and fifteen-day period ended February 15, 2014, 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.

Auditors' 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.

- 1 -

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386/257-4100
Fax: 386/255-3261
dab@jmco.com

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352/378-1331
Fax: 352/372-3741
gmv@jmco.com

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850/386-6184
Fax: 850/422-2074
tlh@jmco.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the changes in United for Families, Inc.'s net assets for the seven-month and fifteen-day period ended February 15, 2014 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 7 to the financial statements, the entity's contract with Florida Department of Children and Families (DCF) was terminated effective October 31, 2013. The Organization received substantially all of its funding from DCF and as a result of the contract termination, dissolved on February 15, 2014. Our opinion is not modified with respect to this matter.

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 is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Section 215.97, Florida Statutes, Florida Single Audit Act, 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 February 15, 2014 on our consideration of United for Families, Inc.'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 the 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 United for Families, Inc.'s internal control over financial reporting and compliance.

James Moore + Co., P.L.

Gainesville, Florida
July 26, 2014

UNITED FOR FAMILIES, INC.
STATEMENT OF ACTIVITIES
FOR THE SEVEN-MONTH AND FIFTEEN-DAY PERIOD ENDED FEBRUARY 15, 2014

Revenues	
Grants	\$ 8,412,444
Contracts	28,765
Donations	2,131
Other	8,479
Pass-through income from investment in limited partnership	3,916
Total revenues	<u>8,455,735</u>
Expenses	
Program services	8,361,292
Fundraising	1,106
Management and general	532,896
Total expenses	<u>8,895,294</u>
Decrease in unrestricted net assets	<u>(439,559)</u>
Net assets , unrestricted, beginning of year	314,049
Transfer of liabilities to Devereux CBC, Inc.	125,510
Net assets , unrestricted, end of year	<u><u>\$ -</u></u>

The accompanying notes to the financial statements
are an integral part of this statement.

UNITED FOR FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE SEVEN-MONTH AND FIFTEEN-DAY PERIOD ENDED FEBRUARY 15, 2014

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Benefits and taxes	\$ 509,544	\$ -	\$ 39,621	\$ 549,165
Data support and software	91,583	-	2,868	94,451
Depreciation	-	-	3,838	3,838
Fund development	-	1,106	-	1,106
Furniture and equipment	39,286	-	2,151	41,437
Insurance	20,466	-	20,392	40,858
Occupancy	315,875	-	120,351	436,226
Organizational memberships	73	-	500	573
Other	-	-	8,109	8,109
Outreach	71	-	-	71
Professional services	-	-	148,009	148,009
Salaries	1,847,960	-	177,518	2,025,478
Staff recruitment and retention	781	-	476	1,257
Training	6,624	-	1,095	7,719
Travel	89,036	-	517	89,553
Office operations	56,382	-	7,451	63,833
Adoptions	1,504,038	-	-	1,504,038
Care management	1,014,102	-	-	1,014,102
Case management	1,108,103	-	-	1,108,103
Client assistance	78,416	-	-	78,416
Foster care	1,372,108	-	-	1,372,108
Independent living	306,844	-	-	306,844
Total expenses	<u>\$ 8,361,292</u>	<u>\$ 1,106</u>	<u>\$ 532,896</u>	<u>\$ 8,895,294</u>

The accompanying notes to the financial statements
are an integral part of this statement.

UNITED FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 15, 2014

(1) **Summary of Significant Accounting Policies:**

(a) **General**—United For Families, Inc., a Florida not-for-profit corporation (the Organization), was formed on December 7, 1999 and started operations on September 1, 2002. The Organization had a contract with the Florida Department of Children and Families (DCF) to administer, integrate, coordinate, and assure the delivery of child protection services, emergency shelter, in-home protective services, relative care placements, foster care, foster care supervision, intensive residential treatment, independent living, family reunification, and adoption and appropriate related services in Indian River, Martin, Okeechobee and St. Lucie counties. Effective October 31, 2013, the Organization's contract with DCF was terminated. See Note 3 for disclosure of dissolution of the Organization.

(b) **Basis of financial reporting**—The Organization's financial statements have been prepared on the accrual basis. The Organization is required to report information regarding its activities according to three classes of net assets:

Unrestricted net assets—Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets—Net assets subject to donor-imposed stipulations that will not be met by either actions of the Organization or the passage of time.

The Organization has no permanently or temporarily restricted net assets at February 15, 2014, and all support and revenue is considered unrestricted for the seven-month and fifteen-day period then ended.

(c) **Contributions**—Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 financial statements as net assets released from restrictions. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

(d) **Income taxes**—The Organization is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

The Organization files income tax returns in the U.S. federal jurisdiction. The Organization's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination. The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

UNITED FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 15, 2014

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

(f) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(g) **Donated services and materials**—Contributed services that qualify as specialized services and donated items are recorded at their estimated fair value at the date of receipt. Volunteer services provided to the Organization to carry out its mission do not meet the criteria used to record donated services; therefore, they have not been recorded in the financial statements.

(h) **Subsequent events**—The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through July 26, 2014, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(2) **Pending Litigation:**

The Organization has been named a defendant in a lawsuit. The case is being handled by the insurance carrier's respective legal departments, the insurance of which was in effect at the time of the respective claim. The Organization is vigorously defending itself and at this time, the amount of liability cannot be determined and therefore no provision has been made in the financial statements.

(3) **Dissolution of the Organization:**

On March 13, 2013, the Organization received notice from the Florida Department of Children and Families (DCF) in which DCF stated their right to terminate the contract without cause to be effective September 10, 2013. The termination of the contract between the Organization and DCF was extended through October 31, 2013. Therefore, since the Organization receives a substantial amount of its funding from the U.S. Department of Health and Human Services that is passed through the State of Florida and DCF, the Organization terminated all programs and activities and dissolved on February 15, 2014. Upon dissolution, the Organization liquidated all assets and paid off all outstanding liabilities. All assets were distributed back to DCF and all property and equipment purchased with State of Florida funds since inception were reverted back to DCF on October 31, 2013 when the contract was terminated, which were subsequently transferred to Devereux CBC, Inc. Additionally, all outstanding liabilities were assumed by Devereux CBC, Inc. Transfers at February 15, 2014, consist of the following:

Cash	\$ 60,390
Fixed assets	82,073
Accrued expenses	(267,973)
Net liabilities transferred to Devereux CBC, Inc.	<u>\$ (125,510)</u>

UNITED FOR FAMILIES, INC.

ADDITIONAL INFORMATION

FOR THE SEVEN-MONTH AND FIFTEEN-DAY PERIOD ENDED FEBRUARY 15, 2014

UNITED FOR FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE SEVEN-MONTH AND FIFTEEN-DAY PERIOD ENDED FEBRUARY 15, 2014

Federal Grantor, Pass-Through Grantor, State Grantor Program Title	CFDA/ CSFA Number	Grantor's Contract Number	Expenditures
FEDERAL AWARDS			
<u>U. S. Department of Health and Human Services:</u>			
Passed through State of Florida			
Department of Children and Families:			
Promoting Safe and Stable Families	93.556	ZJK84	\$ 230,251
Temporary Assistance for Needy Families	93.558	ZJK84	736,434
Grants to States for Access and Visitation Programs	93.597	ZJK84	11,109
Chafee Education and Training Vouchers Program (ETV)	93.599	ZJK84	10,294
Adoption Incentive Payments	93.603	ZJK84	22,623
Stephanie Tubbs Jones Child Welfare Services Program	93.645	ZJK84	119,223
Foster Care-Title IV-E	93.658	ZJK84	1,811,037
Adoption Assistance	93.659	ZJK84	890,568
Social Services Block Grant	93.667	ZJK84	400,767
Child Abuse and Neglect State Grants	93.669	ZJK84	1,297
Chafee Foster Care Independence Program	93.674	ZJK84	47,889
Medical Assistance Program	93.778	ZJK84	26,345
Total Expenditures of Federal Awards			<u>4,307,837</u>
STATE FINANCIAL ASSISTANCE			
<u>State of Florida, Department of Children and Families:</u>			
Community Based Care (CBC) Supports	60.094	ZJK84	<u>3,173,850</u>
STATE MATCHING OF FEDERAL AWARDS			
<u>State of Florida, Department of Children and Families:</u>			
Promoting Safe and Stable Families	93.556	ZJK84	4,988
Chafee Education and Training Vouchers Program (ETV)	93.599	ZJK84	2,574
Stephanie Tubbs Jones Child Welfare Services Program	93.645	ZJK84	39,741
Foster Care - Title IV-E	93.658	ZJK84	20,796
Adoption Assistance	93.659	ZJK84	713,117
Chafee Foster Care Independence Program	93.674	ZJK84	11,973
Medical Assistance Program	93.778	ZJK84	53,134
Block Grants for Community Mental Health Services	93.958	ZJK84	84,434
Total Expenditures of State Matching of Federal Awards			<u>930,757</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE, AND STATE MATCHING OF FEDERAL AWARDS			<u>\$ 8,412,444</u>

UNITED FOR FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE SEVEN-MONTH AND FIFTEEN-DAY PERIOD ENDED FEBRUARY 15, 2014
(Continued)

Note (1): Basis of Accounting

The Schedule of Expenditures of Federal Awards and State Financial Assistance is prepared on the accrual basis of accounting. None of the Federal awards or state financial assistance expended by the Organization were in the form of noncash assistance, there was no insurance in effect during the year related to Federal awards, nor were there any loans or loan guarantees outstanding at year-end.

Note (2): Service Provided Contracts

Only expenses incurred in accordance with the contract terms are reported as expenditures on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Note (3): Pass-Through Awards

United for Families, Inc. receives certain Federal awards from pass-through awards of the state. The total amount of such pass-through awards is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Note (4): Sub-recipients

Of the expenses presented in the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, United for Families, Inc. provided Federal and state awards under Contract ZJK84 to sub-recipients as follows:

Federal Awards:

U.S. Department of Health and Human Services

Promoting Safe and Stable Families	93.556	\$	170,287
Temporary Assistance for Needy Families	93.558		166,969
Grants to States for Access and Visitation Programs	93.597		11,109
Stephanie Tubbs Jones Child Welfare Services Program	93.645		46,566
Foster Care-Title IV-E	93.658		708,607
Adoption Assistance	93.659		122,781
Social Services Block Grant	93.667		350,341
Block Grants for Community Mental Health Services	93.958		184,211
Child Abuse and Neglect State Grants	93.669		12,881
Total			1,773,752

State Financial Assistance:

State of Florida, Department of Children and Families

Community Based Care (CBC) Supports	60.094		940,506
-------------------------------------	--------	--	---------

Total Federal Awards and State Financial Assistance		\$	2,714,258
---	--	----	-----------

UNITED FOR FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE SEVEN-MONTH AND FIFTEEN-DAY PERIOD ENDED FEBRUARY 15, 2014
(Continued)

<u>Subrecipient Entity</u>	<u>Amount Provided To Sub-recipients</u>
Children's Home Society	\$ 1,076,102
Exchange Club CASTLE	267,118
Hibiscus Children's Center	563,735
New Horizon's of the Treasure Coast	55,950
Florida Mentor, Inc.	41,916
Camelot Community Care, Inc.	4,117
Behavior Basics, Incorporated	179,463
Camp Holiday	8,892
Abundant Life Ministries	49,220
Alpha House	7,820
Brighter Futures	61,490
Brookwood	11,070
Children's Place at Home Safe-Libra House	32,740
Devereux Foundation	20,951
Girls and Boys Town	39,035
Hands of Mercy Everywhere	4,320
Real Life Children's Ranch	101,092
Other Emegency Placements	189,227
	<u>\$ 2,714,258</u>

**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,
United for Families, Inc.:

We have audited 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, the financial statements of United for Families, Inc., which comprise the related statement of activities for the seven-month and fifteen-day period then ended, and the related notes to the financial statements and have issued our report thereon dated July 26, 2014.

Internal Control Over Financial Reporting

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

- 10 -

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386/257-4100
Fax: 386/255-3261
dab@jmco.com

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352/378-1331
Fax: 352/372-3741
gmv@jmco.com

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850/386-6184
Fax: 850/422-2074
tlh@jmco.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether United for Families, Inc.'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 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.

James Moore + Co., P.L.

Gainesville, Florida
July 26, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL
PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.650,
RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA**

To the Board of Directors,
United for Families, Inc.:

Report on Compliance for Each Major Federal Program and Major State Project

We have audited United for Families, Inc.'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the State of Florida, Executive Office of the Governor's State Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and major state projects for the seven-month and fifteen-day period ended February 15, 2014. United for Families, Inc.'s major federal programs and major state projects are 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 federal awards programs and state financial assistance projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of United for Families, Inc.'s major federal programs and 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, *Rules of the Auditor General, State of Florida*. Those standards, OMB Circular A-133, and Chapter 10.650, *Rules of the Auditor General, State of Florida* 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 United for Families, Inc.'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 major state project. However, our audit does not provide a legal determination of United for Families, Inc.'s compliance.

- 12 -

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386/257-4100
Fax: 386/255-3261
dab@jmco.com

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352/378-1331
Fax: 352/372-3741
gmv@jmco.com

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850/386-6184
Fax: 850/422-2074
tlh@jmco.com

Opinion on Each Major Federal Program and Major State Project

In our opinion, United for Families, 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 federal programs and state financial assistance projects for the seven-month and fifteen-day period ended February 15, 2014.

Report on Internal Control over Compliance

Management of United for Families, 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 United for Families, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or 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 federal program and major state project and to test and report on internal control over compliance in accordance with Circular A-133, the Florida Single Audit Act 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 United for Families, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

James Moore + Co., P.L.

Gainesville, Florida
July 26, 2014

UNITED FOR FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS
PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE SEVEN-MONTH AND FIFTEEN-DAY PERIOD ENDED FEBRUARY 15,

Section I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs: CFDA No. 93.659, Adoption Assistance and CFDA 93.667, Social Services Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

