

SINFONIA FAMILY SERVICES OF FLORIDA, INC.

Schedule of Expenditures of State Financial Assistance

Year Ended December 31, 2016

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Year Ended December 31, 2016

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Schedule of Expenditures of State Financial Assistance	3
Notes to the Schedule of Expenditures of State Financial Assistance	4
Schedule of Findings and Questioned Costs	5
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Schedule of Expenditures of State Financial Assistance Performed in Accordance with <i>Government Auditing Standards</i>	6
Independent Auditor's Report on Compliance for Each Major Federal Program and State Program and on Internal Control over Compliance Required by The Uniform Guidance and Chapter 10.650, Rules of the Auditor General of the State of Florida	8

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Independent Auditors' Report

To the Board of Directors
Sinfonia Family Services of Florida, Inc.

Report on the Schedule of Expenditures of State Financial Assistance

We have audited the accompanying schedule of expenditures of state financial assistance of Sinfonia Family Services of Florida, Inc. (a Florida Corporation) for the year ended December 31, 2016, and the related notes to the financial statement.

Management's Responsibility for the Schedule of Expenditures of State Financial Assistance

Management is responsible for the preparation and fair presentation of this financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.650, Rules of the Auditor General of the State of Florida. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statement 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 Company'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 statement.

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 statement referred to above presents fairly, in all material respects, the expenditures of state financial assistance of Sinfonia Family Services of Florida, Inc. for the year ended December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2017 on our consideration of the Company'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 the Company's internal control over financial reporting and compliance.

Rodger Messer & Co, PLLC

Greeneville, Tennessee
June 20, 2017



SINFONIA FAMILY SERVICES OF FLORIDA, INC.
 Schedule of Expenditures of State Financial Assistance
 Year Ended December 31, 2016

State or Pass-through Agency	Program Name/ Description	CFSA No.	Contract Number	Expenditures	Expenditures to Subrecipients
State Expenditures					
State of Florida Department of Children & Family Services	Community Action Teams	60.150	DH699	\$ 337,679	\$ -
State of Florida Department of Children & Family Services	Community Action Teams	60.150	DH702	374,375	-
State of Florida Department of Children & Family Services	Community Action Teams	60.150	IH612	<u>361,000</u>	<u>-</u>
	Total State Expenditures			<u>\$ 1,073,054</u>	<u>\$ -</u>

SINFONIA FAMILY SERVICES OF FLORIDA, INC.
Notes to the Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2016

NOTE 1 - BASIS OF PRESENTATION

Sinfonia Family Services of Florida, Inc. is a division of Sinfonia HealthCare Corp., and began operations in July 2015.

The schedule of expenditures of state awards for the year ended December 31, 2016 includes only expenditures of state awards related to awards received from various governmental and private not-for-profit agencies for which the Company performs contracted services. The Company did not have any federal expenditure for the year ended December 31, 2016. Contracts with these agencies subject certain audit and reporting requirements. The schedule of expenditures of state awards is a special-purpose financial presentation prepared for the purpose of complying with the requirements of these contracts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of state awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General of the State of Florida. The Company has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

SINFONIA FAMILY SERVICES OF FLORIDA, INC.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2016

Summary of Audit Results

1. The auditors' report expresses an unmodified opinion on whether the schedule of state financial assistance of Sinfonia Family Services of Florida, Inc. was prepared in accordance with GAAP.
2. No significant deficiencies were disclosed in the Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit of Schedule of Expenditures of Federal and State Awards Performed In Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Company, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major state award programs were disclosed during the audit.
5. The auditors' report on compliance for the major state award program for Sinfonia Family Services of Florida, Inc. expresses an unmodified opinion.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major state project was Community Action Teams (60.150).
8. The threshold used for distinguishing between Type A and B programs was \$750,000
9. Sinfonia Family Services of Florida, Inc. was determined to be a high-risk auditee.
10. There were no questioned costs.

Summary Schedule of Prior Audit Findings

None

Current Year Findings

None

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
Sinfonia Family Services of Florida, 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 schedule of expenditures of state financial assistance (the "financial statement") of Sinfonia Family Services of Florida, Inc. (the "Company") for the year ended December 31, 2016, and the related notes to the financial statement and have issued our report thereon dated June 20, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Company'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 statement, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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 Company's financial statement 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 the Company's financial statement is 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 Company'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 Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rodger Mass $\&$ Co, PLLC

Greeneville, Tennessee
June 20, 2017



Independent Auditors' Report on Compliance for Each Major Federal Program
and State Program and on Internal Control over Compliance Required by The Uniform Guidance
and Chapter 10.650, Rules of the Auditor General of the State of Florida

To the Board of Directors
Sinfonia Family Services of Florida, Inc.

Report on Compliance for Each Major Federal Program and State Program

We have audited Sinfonia Family Services of Florida, Inc.'s (the "Company") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and in the Executive Office of the Governor's State Projects Compliance Supplement (Florida), that could have a direct and material effect on each of the Company's major federal programs and state projects for the year ended December 31, 2016. The Company's major federal programs and major state programs 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 federal statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Company's major federal programs and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.650, Rules of the Auditor General of the State of Florida. Those standards, the Uniform Grant Guidance and Chapter 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state program occurred. An audit includes examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Company 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 programs for the year ended December 31, 2016.

Report on Internal Control over Compliance

Management of the Company is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Company's internal control over compliance with the types of requirements that

could have a direct and material effect on each major federal program or state program 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Company'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 or state program 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 or state program 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

Rodger Moss & Co, PLLC

Greeneville, Tennessee
June 20, 2017