

Redlands Christian Migrant Association, Inc.
(A Not-For-Profit Organization)
Single Audit Report and Schedule of
Expenditures of Federal Awards and
State Financial Assistance
June 30, 2017

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**Independent Auditor's Report on Compliance for Each Major
Federal Program and State Project and on Internal Control
Over Compliance Required by the Uniform Guidance
and Chapter 10.650, Rules of the Auditor General**

To the Board of Directors of
Redlands Christian Migrant Association, Inc.

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Report on Compliance for Each Major Federal Program and State Project

We have audited the Redlands Christian Migrant Association, Inc.'s (RCMA) (a not-for-profit organization) compliance with the types of compliance requirements described in the *OMB 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 RCMA's major federal programs and state projects for the year ended June 30, 2017. RCMA's major federal programs and state projects are identified in the summary of auditor's result 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 projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of RCMA's major federal programs and 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 and, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted with 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), *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Those standards, 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 project occurred. An audit includes examining, on a test basis, evidence about RCMA's compliance with those requirements and performing such other procedures as we considered necessary in those circumstances.

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

Opinion of Each Major Federal Program and State Project

In our opinion, RCMA 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 projects for the year ended June 30, 2017.



To the Board of Directors of
Redlands Christian Migrant Association, Inc.

Report on Internal Control Over Compliance

Management of RCMA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on page 1. In planning and performing our audit of compliance, we considered RCMA'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 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 project and to test and report on internal control over compliance in accordance with the Uniform Guidance 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 RCMA'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 the 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.

Report on Schedule of Expenditures of Federal Awards and State Projects Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General

We have audited the financial statements of Redlands Christian Migrant Association, Inc. as of and for the year ended June 30, 2017, and have issued our report thereon dated October 4, 2017, 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 (pages 4-6) is presented for purposes of additional analysis as required by the Uniform Guidance 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 expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

To the Board of Directors of
Redlands Christian Migrant Association, Inc.

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 the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Prager Metis CPAs, LLC

Coral Gables, FL
January 18, 2018

Redlands Christian Migrant Association, Inc.
(A Not-For-Profit Organization)
Schedule of Expenditures of Federal Awards and
State Financial Assistance
For The Year Ended June 30, 2017

Federal Grantor/State Agency Pass-Through Entity/ Federal Program/State Project	CFDA/ CSFA Number	Grantor's Number	Federally Funded Expenditures	State Funded Expenditures
<u>Federal Major Programs:</u>				
<u>U.S. Department of Health and Human Services (HHS)</u>				
<i>Passed through Office of Early Learning</i>				
School Readiness - Child Care Development Fund (CCDF)-Mandatory	93.596	SR556	\$ 1,463,387	
School Readiness - Child Care Development Fund (CCDF)-Matching	93.596	SR556	5,331,824	
CCDF GR Match	93.596	SR556	<u>3,517,119</u>	
			10,312,330	
School Readiness - Child Care Development Fund (CCDF)-Discretionary	93.575	SR556	2,072,901	
SSBG	93.667	SR556	10,714	
<u>State Major Programs:</u>				
<u>Office of Early Learning</u>				
<i>Passed through Early Learning Coalition of Southwest Florida</i>				
Voluntary Pre-Kindergarten Education Program	48.108			\$ 1,980,378
			<u>\$ 12,395,945</u>	<u>\$ 1,980,378</u>

Attention is directed to independent auditor's report and notes to the
Schedule of Federal Awards and State Financial Assistance.

Redlands Christian Migrant Association, Inc.
(A Not-For-Profit Organization)
Schedule of Expenditures of Federal Awards and
State Financial Assistance (Continued)
For The Year Ended June 30, 2017

Federal Grantor/State Agency Pass-Through Entity/ Federal Program/State Project	CFDA/ CSFA Number	Grantor's Number	Federally Funded Expenditures	State Funded Expenditures
Total from previous page			\$ 12,395,945	\$ 1,980,378
<u>Non-Major Programs:</u>				
<u>U.S. Department of Health and Human</u>				
<u>Services (HHS):</u>				
Head Start	93.600	04CH4724-03-02	9,198,243	
Early Head Start	93.600	04CH4724-03-02	6,941,581	
Migrant Head Start	93.600	90CM9809/02 & 90CM9809-03-02	17,437,680	
Early Head Start Child Care Partnership Migrant Head Start	93.600	90HM0004-01-03 & 90HM0004-02-01	5,612,001	
Episcopal Children's Services CCP	93.600		376,485	
			<u>39,565,989</u>	
<u>U.S. Department of Agriculture</u>				
<i>Passed through the Florida Department of Health</i>				
Child and Adult Care Food Programs	10.558	S-0557	3,442,200	
<u>Florida Department of Education</u>				
<u>School Board</u>				
<i>Passed through Highlands County</i>			18,650	
<i>Passed through Glades County</i>			58,373	
<i>Passed through Hardee County</i>			39,312	
<i>Passed through Hendry County School Board</i>			4,680	
<i>Passed through Desoto County School Board</i>			32,617	
<u>U.S. Department of Housing and Urban</u>				
<u>Development</u>				
<u>Community Block Grant</u>				
<i>Passed through Hillsborough County</i>	14.218		54,420	
<i>Passed through Palm Beach County</i>	14.218		10,855	
			<u>65,275</u>	
<u>U.S. Department of Education</u>				
<i>Passed through State of Florida Department of Education</i>				
Title I	84.010		267,649	
National School Lunch	10.555		391,997	
School Breakfast Program	10.553		187,454	
Fresh Fruit and Veg. (FFVP)	10.582		23,800	
<i>Passed through Collier and Hillsborough County School Boards</i>				
Capital Outlay			198,934	
			<u>\$ 56,692,875</u>	<u>\$ 1,980,378</u>

Attention is directed to independent auditor's report and notes to the
Schedule of Federal Awards and State Financial Assistance.

Redlands Christian Migrant Association, Inc.
(A Not-For-Profit Organization)
Schedule of Expenditures of Federal Awards and
State Financial Assistance (Continued)
For The Year Ended June 30, 2017

Federal Grantor/State Agency Pass-Through Entity/ Federal Program/State Project	CFDA/ CSFA Number	Grantor's Number	Federally Funded Expenditures	State Funded Expenditures
Total from previous page			\$ 56,692,875	\$ 1,980,378
<u>Nonmajor Programs: (continued)</u>				
<u>Federal Communications Commissions</u>				
<i>Passed through Universal Services</i>				
<u>Administrative Company - School and Library</u>				
E-Rate			123,171	
<u>Other Assistance:</u>				
<u>Department of Health and Human Services</u>				
<i>Passed through</i>				
Early Learning Coalition of Florida Heartland			89,854	
Early Learning Coalition of Pasco & Hernando Counties			16,950	
Episcopal Children's Services			8,740	
Early Learning Coalition of Indian River Martin and Okeechobee County			16,507	
Early Learning Coalition of Southwest Florida			18,712	
Early Learning Coalition of Marion County			11,492	
Early Learning Coalition of Miami Dade / Monroe			682	
Early Learning Coalition of Palm Beach			26,172	
			<u>\$ 57,005,155</u>	<u>\$ 1,980,378</u>

Attention is directed to independent auditor's report and notes to the
Schedule of Federal Awards and State Financial Assistance.

Redlands Christian Migrant Association, Inc.
(A Not-For-Profit Organization)
Notes to Schedule of Expenditures of Federal Awards
And State Financial Assistance

NOTE A – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal and state award programs of Redlands Christian Migrant Association, Inc. (the Organization) for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of *the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations*, and Rules of the State of Florida Office of the Auditor General Chapter 10.650 under Section 215.97 of the Florida Statutes. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of RCMA.

NOTE B – Summary of Significant Accounting Principles

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, the amount of expenditures presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE C – Contingencies

Grant monies received and disbursed by the Organization are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based on prior experience, the Organization does not believe that such disallowances, if any, would have a material effect on the financial position of the Organization. As of June 30, 2017, management is not aware of any material questioned or disallowed costs as a result of grant audits in process or completed.

NOTE D – Subrecipients

The Organization records expenditures of federal programs and state projects when paid in cash to a pass-through entity. For the year ended June 30, 2017, the Organization did not pass-through any funds to subrecipients as reflected in the Schedule.

NOTE E – Indirect Cost

The Schedule includes a portion of allocated costs from a federally approved indirect cost plan. The rate approved for RCMA for the year ended June 30, 2017 is 15% of salaries. The rate is considered a provisional rate which is used when a final, predetermined or fixed rate has not been established for a guarantee. Although the approved rate for RCMA is 15%, not all grants pay this percentage. Grants not using the predetermined rate did not elect to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

Redlands Christian Migrant Association, Inc.
(A Not-For-Profit Organization)
Notes to Schedule of Expenditures of Federal Awards
And State Financial Assistance

NOTE F – Subsequent Events

Subsequent events have been evaluated through January 18, 2018, which is the date the financial statements were available to be issued. There were no events of this nature requiring recording or disclosure in the Schedule for the year ended June 30, 2017.

Redlands Christian Migrant Association, Inc.
(A Not-Profit Organization)
Schedule of Findings and Questioned Costs
Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Redlands Christian Migrant Association, Inc. (RCMA).
2. There were no deficiencies disclosed as a result of the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of RCMA were disclosed as result of the audit.
4. No significant deficiencies were disclosed as result of the audit of the major federal award program and state project.
5. The auditor's report on compliance with the major federal award program and state project for RCMA expresses an unmodified opinion.
6. No findings were disclosed as result of the audit relative to the major federal award program and state project.
7. The programs tested as a major program included:

CFDA Number(s)	Name of Federal Program or Cluster
93.575 / 93.596 / 93.667	School Readiness
CSFA Number(s)	Name of State Project
48.108	Voluntary Pre-Kindergarten Education Program

8. For the June 30, 2017, Single Audit, the threshold used to distinguish between Type A and Type B programs was \$1,710,155 for major federal programs and \$300,000 for major state projects.
9. RCMA was determined to be a low-risk audit.
10. There were no items relating to State financial assistance required to be reported in a management letter.
11. No exceptions were found in testing RCMA's monthly reconciliation of its financial records to the state wide school readiness data and reporting system. Monthly reconciliations were performed by RCMA in a timely and satisfactory manner.

Findings – Financial Statements Audit

None

Findings and Questioned Costs – Major Federal Award Program and State Project Audit

None

Findings and Questioned Costs – for prior year

None