

**THE LEARNING CENTER FOR FAMILIES,
DBA ROOT FOR KIDS**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

The Learning Center For Families, dba Root for Kids

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Independent Auditors' Report

Executive Director and Members of the Board
The Learning Center for Families, dba Root for Kids
St. George, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of The Learning Center for Families, dba Root for Kids (a non-profit organization), which comprise the statement of financial position of as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Learning Center for Families, dba Root for Kids as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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 information 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 March 29, 2019, on our consideration of The Learning Center for Families, dba Root for Kids' 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 Learning Center for Families, dba Root for Kids' internal control over financial reporting and compliance.



HintonBurdick, PLLC

St. George, Utah

March 29, 2019

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Statement of Financial Position
June 30, 2018

Assets

Current assets:

Cash and cash equivalents	\$ 250,952
Restricted cash and cash equivalents	16,950
Grants receivable	389,607
Sales tax receivable	<u>1,650</u>

Total current assets 659,159

Property and equipment:

Furniture and equipment	289,994
Vehicles	82,419
Leasehold improvements	325,235
Accumulated depreciation	<u>(495,923)</u>

Total property and equipment 201,725

Total assets \$ 860,884

Liabilities and net assets

Current liabilities:

Accounts payable	\$ 61,500
Accrued liabilities	<u>133,436</u>

Total current liabilities 194,936

Total liabilities 194,936

Net assets

Temporarily Restricted	16,950
Unrestricted	<u>648,998</u>

Total net assets 665,948

Total liabilities and net assets \$ 860,884

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

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Statement of Activities
For the Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:			
Grants and contracts	\$ 4,117,809	\$ 25,000	\$ 4,142,809
Contributions	227,946	-	227,946
Third party reimbursements	240,370	-	240,370
Rental income	3,508	-	3,508
Interest income	459	-	459
Net assets released from restrictions	40,300	(40,300)	-
	<hr/>		
Total revenues, gains, and other support	4,630,392	(15,300)	4,615,092
<hr/>			
Expenses and losses:			
Program services:			
Program A - Early Intervention / Early Head Start	4,350,708	-	4,350,708
Support services:			
Management and general	386,778	-	386,778
Fundraising	97,986	-	97,986
	<hr/>		
Total expenses	4,835,472	-	4,835,472
	<hr/>		
Change in net assets	(205,080)	(15,300)	(220,380)
	<hr/>		
Net assets at beginning of year	854,078	32,250	886,328
	<hr/>		
Net assets at end of year	\$ 648,998	\$ 16,950	\$ 665,948
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The accompanying notes are an integral part of the financial statements.

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Statement of Cash Flows
For the Year Ended June 30, 2018

Cash flows from operating activities:	
Cash received from grants and contracts	\$ 4,099,039
Cash received from contributions	85,529
Cash received from third party reimbursements	240,370
Cash received from rental and other	3,508
Interest received	459
Cash paid for program expenses	(4,172,103)
Cash paid for management and general expenses	(373,233)
Cash paid for fundraising activities	<u>(97,986)</u>
Cash flows from operating activities	<u>(214,417)</u>
Cash flows from investing activities:	
Purchases of property and equipment	<u>(2,095)</u>
Cash flows from investing activities	<u>(2,095)</u>
Net change in cash and cash equivalents	(216,512)
Cash and cash equivalents, including restricted cash, beginning of year	<u>484,414</u>
Cash and cash equivalents, including restricted cash, end of year	<u><u>\$ 267,902</u></u>
Reconciliation of change in net assets to cash flows from operating activities:	
Change in net assets	\$ (220,380)
Adjustments needed to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	70,751
Changes in operating assets and liabilities:	
(Increase)/decrease in grant receivables	(43,770)
(Increase)/decrease in sales tax receivables	339
Increase/(decrease) in accounts payable	(8,116)
Increase/(decrease) in accrued liabilities	<u>(13,241)</u>
Cash flows from operating activities	<u><u>\$ (214,417)</u></u>

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

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies

This summary of significant accounting policies of The Learning Center for Families, dba Root for Kids, (the Center) is presented to assist in understanding the Center's financial statements. The financial statements and notes are representations of the Center's management, which is responsible for their integrity and objectivity. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Description of Program

The Learning Center for Families, dba Root for Kids (a nonprofit organization) was organized under the laws of the State of Utah and began operations on February 9, 1994. The Center provides the following services to provide early intervention educational and therapeutic services to children and their families:

Early Intervention-The Center operates a multifaceted early intervention program that provides families with comprehensive individualized services. The key points to the service delivery system are;

- The provision of family focused, culturally competent services,
- Community outreach and early identification of eligible children,
- Multi-disciplinary assessment,
- Empowerment of families by providing a wide array of supportive assistance,
- Effective staff development,
- Full participation with existing associate agencies in Washington County in the actualization of a shared community vision for all families of children with special needs.

Early Head Start-The Center established this program for low income pregnant women and families with infants and toddlers to enhance the children's physical, social, emotional and cognitive development. The program also is designed to enable parents to be better caregivers to and teachers of their children and help parents meet their own goals, including that of economic independence.

Parents as Teachers-Parents as Teachers is an early childhood family support and parent education home-visiting model. Families may enroll in Parents as Teachers beginning with pregnancy and may remain in the program until the child enters kindergarten. Parent educators work with parents to strengthen protective factors and ensure that young children are healthy, safe, and ready to learn.

The Center is primarily funded by grants through the State of Utah Department of Health Early Intervention and Home Visiting programs, Arizona Department of Economic Security Early Invention program, and the United States Department of Health and Human Services Early Head Start program.

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. Under ASC 958-205, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Contributions

In accordance with ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted contributions.

Contributed Services

During the year ended June 30, 2018, the Center's Early Head Start program benefited from the services of volunteers. The Center recorded donation revenue of \$142,417 in the statement of activities for goods and services meeting the requirements for recognition, of which \$1,588 is for services. Additional services contributed to the Center's Early Head Start program by volunteers, valued at \$71,633, did not meet the requirements for recognition and, therefore, have not been recorded.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows and footnote 2, the Center considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Inventory

Office and other supplies are deemed immaterial and not recorded as inventory.

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Notes to the Financial Statements
June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment are recorded at cost if purchased. Property and equipment is defined by the Center as assets with an individual cost over \$5,000. From time to time, the Center acquires property and equipment with restricted monies. Any asset exceeding \$5,000, purchased with restricted grant monies, technically can revert back to the resource provider upon request.

Depreciation of property and equipment is provided on the straight-line method over their estimated useful lives as follows:

Vehicles	5 years
Equipment	3-10 years
Furniture & Fixtures	5-10 years
Leasehold Improvements	3-39 years

Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Major renewals and betterments are capitalized. Gains or losses on dispositions of property and equipment are included in revenue in the year of disposition.

Income Taxes

No amounts have been paid or accrued for income taxes as the Center is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Center's Forms 990, Return of Organization Exempt from Income Tax, for the fiscal years ending 2016, 2017, and 2018 are subject to examination by the IRS, generally for three years after they were filed.

Date of Management's Review

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through March 29, 2019, the date the financial statements were available to be issued.

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Notes to the Financial Statements
June 30, 2018

Note 2. Cash and Investments

At year end the carrying amount of the Center's deposits were \$266,802 and the bank balance was \$278,616. Of the bank balance, all was covered by federal depositor insurance.

The Center's deposits at year end are shown as follows:

	<u>Carrying Amount</u>
Cash on hand	\$ 1,100
Cash in bank	<u>266,802</u>
Total	<u>\$ 267,902</u>

Cash and investments are reported in the Statement of Financial Position as follows:

Cash and cash equivalents	\$ 250,952
Restricted cash	<u>16,950</u>
Total	<u>\$ 267,902</u>

Restricted cash is cash held that must be used according to the grant agreements and donor imposed restrictions.

Note 3. Grants Receivable

Grants receivable for services provided is \$389,607 net of allowance for doubtful accounts of \$0.

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Notes to the Financial Statements
June 30, 2018

Note 4. Property and Equipment

The following table summarizes the changes to property and equipment during the year ended June 30, 2018. Depreciation expense for the year ended June 30, 2018 is \$70,751.

	Balance 6/30/17	Additions	Disposals	Balance 6/30/18
Furniture & Equipment	\$ 287,899	\$ 2,095	\$ -	\$ 289,994
Vehicles	82,419	-	-	82,419
Leasehold Improvements	325,235	-	-	325,235
Total	695,553	2,095	-	697,648
Less Accumulated Depreciation	(425,172)	(70,751)	-	(495,923)
	<u>\$ 270,381</u>	<u>\$ (68,656)</u>	<u>\$ -</u>	<u>\$ 201,725</u>

Note 5. Operating Leases

In June 2011, the Center entered into a 10 year lease agreement with Friends of TLC to use the building and property located at 2044 South Mesa Palms Drive in St. George, Utah for \$10,000 per month. In fiscal year 2018, the Center incurred \$120,000 in rent expense related to the above mentioned lease. The following are the future minimum rental payments required under the lease:

Fiscal Year Ended	
2019	\$ 120,000
2020	120,000
2021	110,000
2022	-
2022	-
Total	<u>\$ 350,000</u>

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Notes to the Financial Statements
June 30, 2018

Note 6. Retirement Plan

The Center maintains a 403(b) Retirement Savings Plan. The plan contains provisions for 50 percent matching contributions of up to 10 percent deferral of eligible employees' annual wage. The plan covers employees of the Center having reached the age of 21 and having worked at least one year during which the employee was compensated for at least 1,000 hours. Contributions are made based on regular payroll compensation for each eligible employee and employees are fully vested in the plan three years after their hire date. For the year ended June 30, 2018, employer contributions were \$27,111.

Note 7. Risk Management

The Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Center maintains insurance for auto liability, employee dishonesty and general liability through various insurance policies purchased through Hafen Insurance Company. Worker's Compensation is carried through the State Worker's Compensation Fund.

Note 8. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at June 30, 2018:

Intermountain Healthcare Donation	\$ 16,950
	<u>\$ 16,950</u>

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SUPPLEMENTARY INFORMATION

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Schedule of Functional Expenses
For the Year Ended June 30, 2018

<u>Expense category</u>	Program A			Total
	Early Intervention Early Head Start	Management & General	Fundraising	
Parent services	\$ 9,457	\$ -	\$ -	\$ 9,457
Child find	4,769	-	1,764	6,533
Contract labor	228,533	6,019	2,174	236,726
Depreciation	70,751	-	-	70,751
In-service and education	59,454	-	923	60,377
Insurance	33,437	1,784	452	35,673
Janitorial and repairs	24,234	1,279	59	25,572
Membership dues	23,478	-	2,173	25,651
Office supplies	-	57,546	4,138	61,684
Payroll taxes and benefits	876,175	77,651	16,812	970,638
Postage	2,833	-	-	2,833
Professional fees	2,181	2,281	100	4,562
Program supplies	180,210	10,743	12,266	203,219
Rent	232,690	12,251	90	245,031
Salaries and wages	2,364,525	210,349	54,479	2,629,353
Telephone and utilities	73,947	3,917	478	78,342
Travel	164,034	2,958	2,078	169,070
Total expenses	\$ 4,350,708	\$ 386,778	\$ 97,986	\$ 4,835,472

See accountants' report.

FEDERAL AND STATE REPORTS

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**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***

Executive Director and Members of the Board
The Learning Center for Families, dba Root for Kids
St. George, Utah

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 The Learning Center for Families, dba Root for Kids (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 29, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Learning Center for Families, dba Root for Kids' 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 The Learning Center for Families, dba Root for Kids' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Learning Center for Families, dba Root for Kids' financial statements are free from 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC
St. George, Utah
March 29, 2019

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THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

<u>Program By Federal Agency or Department</u>	<u>Federal Catalog Number</u>	<u>Pass-through Grantor # or Contract</u>	<u>Pass- Through to Subrecipients</u>	<u>Total Awards Expended</u>
Department of Agriculture				
Pass-through grant from Utah State Board of Education - Child and adult care food program	10.558		\$ -	\$ 8,296
Department of Education				
Pass-through grant from Utah Department of Health - Special Education Grants for Infants and Families	84.181A	1617930	-	212,600
Pass-through grant from Arizona Department of Economic Security - Special Education Grants for Infants and Families	84.181A	ADES13-047757	-	88,971
Department of Health and Human Services				
Early Head Start	93.600	08CH1133-04	-	724,525
Early Head Start	93.600	08CH0133-03	-	713,312
Pass-through grant from Utah Department of Health - Maternal, Infant, and Early Childhood Home Visiting Program	93.505	13-6091	-	516,189 *
Pass-through grant from Utah Department of Workforce Services -Temporary Assistance for Needy Families	93.558	17DWS0215	-	211,207
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 2,475,100</u>

* Major Programs

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Reporting Entity:

The accompanying schedule of expenditures of federal awards presents the activity or expenditure of all federal awards programs of The Learning Center for Families, dba Root for Kids (the Center) for the year ended June 30, 2018. The Center's reporting entity is defined in Note 1 of the basic financial statements. All expenditure of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Basis of Accounting:

This accompanying schedule of expenditures of federal awards has been 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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Indirect Cost Rate:

The Center did not elect to use the 10% de minimis indirect cost rate for fiscal year 2018.

Federal Loans and Loan Guarantee Programs Outstanding:

The Center did not have any federal loans outstanding at June 30, 2018.

Subrecipients:

The Center did not have any subrecipients in fiscal year 2018.

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**Independent Auditors' Report on Compliance
for Each Major Program and on Internal Control Over Compliance
Required By the Uniform Guidance**

Executive Director and Members of the Board
The Learning Center for Families, dba Root for Kids
St. George, Utah

Report on Compliance for Each Major Federal Program

We have audited The Learning Center for Families, dba Root for Kids' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Learning Center for Families, dba Root for Kids' major federal programs for the year ended June 30, 2018. The Learning Center for Families, dba Root for Kids' major federal 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 awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of The Learning Center for Families, dba Root for Kids' major federal 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; and 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). Those standards and the Uniform Guidance 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 occurred. An audit includes examining, on a test basis, evidence about The Learning Center for Families, dba Root for Kids' 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. However, our audit does not provide a legal determination of The Learning Center for Families, dba Root for Kids' compliance.

Opinion on Each Major Federal Program

In our opinion, The Learning Center for Families, dba Root for Kids 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 for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of The Learning Center for Families, dba Root for Kids 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 Learning Center for Families, dba Root for Kids' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Learning Center for Families, dba Root for Kids' 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 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 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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



HintonBurdick, PLLC
St. George, Utah
March 29, 2019



THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ yes X 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 the Uniform Guidance? ___ yes X no

Identification of major programs.

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.505	Maternal, Infant, and Early Childhood Home Visiting Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes ___ no

THE LEARNING CENTER FOR FAMILIES, DBA ROOT FOR KIDS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section II – Financial Statement Findings

None noted

Section III – Federal Award Findings and Questioned Costs

None noted