



Migrant and Seasonal Head Start Annual Report 2016-2017

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Telamon Corporation is an Equal Opportunity Employer. Auxiliary aids and services are available upon request to individuals with disabilities.



Telamon Tennessee's Migrant and Seasonal Head Start program is funded by the U.S. Department of Health and Human Services, Administration of Children, Youth and Families, and the Office of Head Start.



Migrant and Seasonal Head Start Program Funding Sources 2016-2017

The programs were sustained by public and private funding sources for their respective program years. Amounts are shown for the most recently concluded fiscal year assigned to each program.

The Total Amount of Private and Public Funds Received

Account	Source	Begin:	End:	Total
1667	Office of Head Start	3/1/2016	2/28/2017	\$3,147,003
Reimbursement	USDA Food Program	3/1/2016	2/28/2017	\$63,692
			TOTAL	\$3,210,696

Budgetary Expenditures and Proposed Budget for the Fiscal Year

Office of Head Start		
Category	Budget	Expense
Personnel	\$1,406,877	\$1,309,978
Fringe	\$703,438	\$654,152
Travel	\$41,166	\$24,946
Equipment	\$65,000	\$57,175
Supplies	\$133,658	\$75,072
Contractual	\$0	\$0
Construction	\$0	\$0
Other	\$528,854	\$510,790
Indirect	\$268,010	\$249,445
Total	\$3,147,003	\$2,881,558
Percentage Spent		91.57%

The most recent Telamon Corporation Audit may be viewed at: <https://harvester.census.gov/fac/>. A statement of unqualified opinion is included at the end of this report.

In-Kind Contributions

Telamon Tennessee continues to maintain a waiver from the complete 20% non-federal share required by the Office of Head Start. During the 2016-2017 fiscal year, the Office of Head Start approved an 8% match. Telamon Tennessee received generous support from community partners, volunteers, funders, and donors resulting in \$274,413 (8.7%) match in in-kind for the Migrant and Seasonal Head Start grant.

Child and Adult Food Care Program

Telamon Tennessee receives USDA reimbursement through the Child & Adult Care Food Program (CACFP). Each center publishes income guidelines and a Public Service Announcement for accepting children for our program which announces our CACFP food program and states that meals will be provided at no separate charge to children who meet the income eligibility guidelines. In 2016, the Migrant and Seasonal Head Start program provided 12,795 breakfasts, 12,801 lunches, and 10,544 snacks. All meals are provided in accordance with the U.S. Department of Agriculture non-discrimination policy, which prohibits discrimination based on race, color, national origin, gender, age, disability, and political beliefs.

Head Start Statistical Report for Program Year March 2016-February 2017

The following is a statistical look at service levels in our Migrant and Seasonal Head Start program. All statistics were submitted as part of the Program Information Report to the Office of Head Start's Region XII office at the conclusion of the 2016-2017 program year.

PIR Statistical Report

Number of Children Served	222
Number of Families Served	156
Average Monthly Enrollment Percentage	62.5%
Percentage of Eligible Children Served (Number of Children Served ÷ Number of Eligible Children Identified in the Community Assessment)	90%
Percentage of Children with Continuous, Accessible Dental Care Provided by a Dentist.	96%
Percentage of Children Who Received Dental Exams/Screenings	98%
Percentage of all Children who are up to date on a Schedule of Age Appropriate Preventive and Primary Health Care, According to the State's EPSDT Schedule for Well Child Care	97%

* The nine children without continuous, accessible dental care are children under the age of 1 year old who would not have a dentist yet.

Results of the Most Recent Federal Review

The Administration for Children and Families conducted a Comprehensive Services/School Readiness review event from 8/1/2016 to 8/5/2016. There were no areas of noncompliance found during the review and no corrective actions were required.

Parent Engagement in Head Start Programs

During the 2016-2017 season, parents participated in discussions at parent meetings and at Policy Council, providing input on curriculum, menus, services, budgetary priorities, and other aspects of the program. Parent-teacher conferences kept families informed of their children's progress, and many parents completed take-home activities with their children extending classroom experiences. In preparation for the implementation of a new Parent Curriculum in the 2017-18 season, parents were also surveyed on what would be important to them in a potential Parent Curriculum.

Of the 273 program parents, 182 or 67% participated in volunteer activities to support the program. All families agreed to communicate with staff members concerning family needs, achievements, and progress, and to participate in home visits and parent trainings. In 2016, 112 families (72%) completed pre-and post-Family Strengths Assessments. This tool assesses family strengths and needs in 16 different areas. 89.6% of these families improved in at least one area with Promoting Literacy in the Home and Childcare being the areas in which families made the biggest improvements.



As part of the Family Partnership process, Telamon Family Services staff work with families to set individualized goals. Family Goals are tied to the Office of Head Start's Parent Family Community Engagement Framework and focus on the family outcomes of Family Wellbeing, Positive Parent-Child Relationships, Families as Lifelong Educators, Families as Learners, Family Engagement in Transitions, Family Connections to Peers and Communities, and Families as Advocates and Leaders. Of the 156 total families served, 137 (87.8%) of these families participated in the goal setting process. Of those families, 127 (92.7%) achieved their goal during the season, and 9 (6.6%) were still working on their goals at the end of the season. Even when taking families who did not set a goal into account, 81.4% of all families served set and achieved a goal during the season. Some of the services offered to families include Health



Education, Parenting Education, Emergency Food and Clothing, Mental Health Services, Adult Education, Child Abuse Services, Domestic Violence Services, and Transportation.

The Family Engagement Plan has been modified and updated with parent input in response to changes in the community and providing a framework to meet parent involvement goals. The program has developed an Under-Enrollment Plan. Interns from the University of Tennessee College of Social Work have conducted evaluations on recruitment to inform program practice and identify trends.

Growing Tennessee Youth Initiative

Telamon Tennessee operates the Growing Tennessee Youth Initiative to provide outreach to the older siblings of children enrolled in Migrant and Seasonal Head Start as part of the program's family engagement efforts. Participants range from Kindergarten to 12th grade. The goal of the youth initiative is to provide youth with unique learning opportunities while their parents attend meetings and trainings at the center. This initiative was launched in 2005 with funds from the Administration for Children, Youth and Families and the Office of Head Start. Since its inception, the Youth Initiative has provided engaging, educational opportunities to over 250 migrant and local youth in kindergarten through twelfth grade, bringing together community partners, educators, and youth to engage in recreational and educational experiences.



Numerous community partners and volunteers assist with planning, recruitment, and implementation of the projects. A partnership with the University of Tennessee Knoxville College of Social Work results in student interns who assist with grant writing and developing projects. The interest and needs of participants are considered when developing new projects. Past funders include Tennessee Arts Commission, East Tennessee Foundation, and PeyBack Foundation. In 2016 Telamon Tennessee received a \$2,000 grant from Art4Moore Foundation for a photography project. Funds were used to pay for photography supplies and instructor stipend for Tara Baker a professional photographer. Four photography workshops were offered at the Unicoi and Greene County Centers. We exceeded our goal of serving 14 children by serving a total of 26 participants. This number includes children and youth mentors from Unicoi High School.

School Readiness

How We Help Prepare Children for Kindergarten

Center staff members work closely with the parents of Kindergarten enrollees to assist with this transition. Bilingual staff members are available to provide interpretation services for Spanish-speaking parents and children during the Kindergarten transition process. Family Service Specialists accompany parents to complete necessary paperwork required for enrollment and offer translation services. Health/Disabilities Specialists assist parents in gathering physical and immunization records for enrollees. Local Education Agencies (LEA's) collaborate with Center Directors through a written Memorandum of Understanding.

In addition to educating children in the classroom, teaching staff members conduct home visits with parents. Children are provided with a Kindergarten Kit with supplies based on school supply lists to facilitate successful entry into the classroom. A Kindergarten readiness checklist is completed for each child to assess pre-Kindergarten skills and allow teachers to individualize activities and better prepare children for school. This checklist along with child outcomes is shared with school systems to inform the teacher on the individual child's skill level. Children transitioning to Kindergarten are assessed using Teaching Strategies GOLD and results are shared with LEA's.

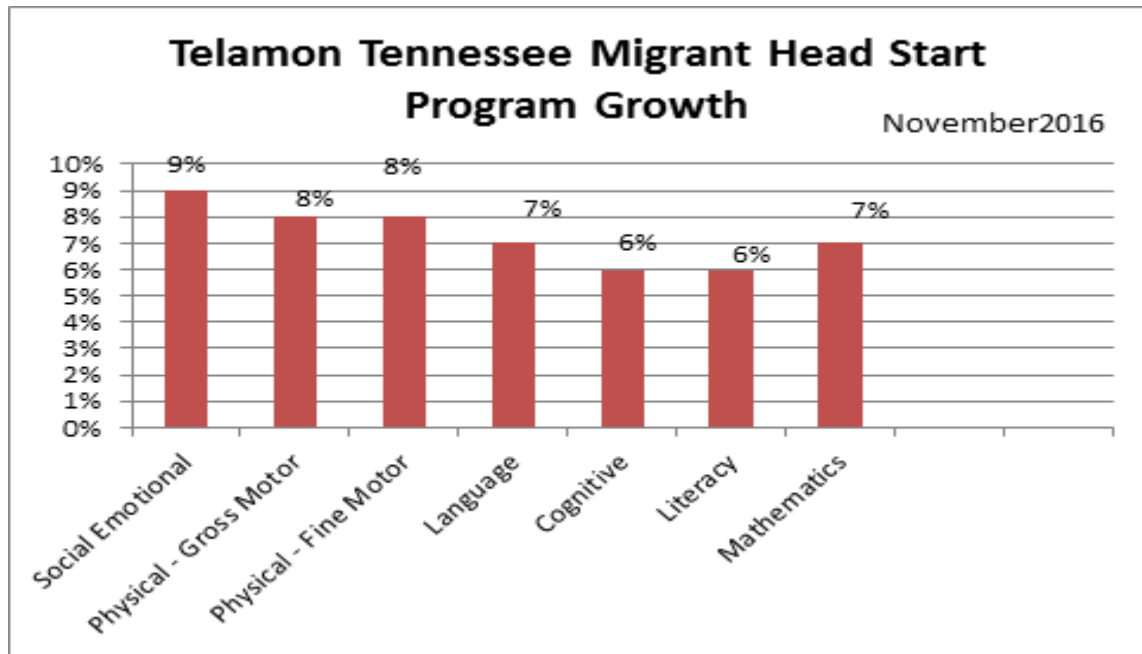




Telamon has developed a School Readiness Plan to ensure that children in the Migrant and Seasonal Head Start Program transition to Kindergarten smoothly. During the 2016-2017 program year, 29 children participated in Kindergarten transition to thirteen different schools. School Readiness goals emphasize the domains of the Head Start Child Development and Early Learning Framework, which are Language and Literacy, Cognition and General Knowledge, Approaches to Learning, Physical Development and Health, and Social and Emotional Development. The School Readiness Plan includes parent, teacher, child and program objectives to reach goals. Preparing for School Readiness is emphasized for all ages of children enrolled in the program.

Child Outcomes

Children continue to make gains in all areas. Data collected to show growth is taken from children in the program for all three checkpoints. The graph shows gains made program-wide during the season, with the first checkpoint conducted in late July, the second checkpoint conducted in early September and the third checkpoint completed in mid-October.



Physical Development & Health

Children showed growth in both fine and gross motor skills during the season. Preschool teachers planned weekly health and nutrition activities to educate students and encourage healthy eating habits and hygiene routines. Teachers planned daily indoor and outdoor I Am Moving I Am Learning (IMIL) activities. Children received health, vision, and dental screenings and participated in two growth assessments. The number of overweight and obese children who are preschool age continues to be high. Telamon continues to educate children and families on the importance of a healthy lifestyle including physical activity and good nutrition, along with a focus on the I Am Moving I Am Learning approach.



Cognition & General Knowledge

Program-wide children showed growth in the area of cognition and general knowledge. During parent meetings, staff conducted trainings on developmental stages of children and activities that can be completed in the home to foster development. Staff encouraged parents to complete activities on the weekly activity calendars sent home with all children. Information is also shared and reviewed with parents during home visits and parent-teacher conferences.

Language & Literacy

During the season, children showed gains in language and literacy. Teachers planned small group activities to encourage literacy skills. Weekly activity calendars, which include literacy activities, are given to parents to complete with their children. Telamon Tennessee held book distribution events during the season. Each site selected a theme for the distributions and planned special activities, speakers, and field trips that corresponded with the theme. All enrolled children were given the opportunity to select a book to take home at each distribution. Some of the themes included *Jungle*, *Pajama Day*, *The Kissing Hand*, *Firefighters*.

Mathematics

Children increased to a seven percent growth in mathematics. Teachers participate in yearly training on early math skills. Math activities are included on the weekly home activity calendars completed with parents along with being incorporated into the daily routine of the classrooms. Staff utilize the resource High-Five Mathematize in the classrooms.

Social & Emotional Development

Throughout the season, children showed growth in social-emotional development. Teachers provide a warm, nurturing environment and allow children time to adjust to the program and new routines. Classrooms received monthly visits from Dr. Adair Allen, a bilingual licensed mental health professional. Dr. Allen conducted individual observations based on teacher/parent concerns. Dr. Allen provides guidance to teachers on dealing with challenging behaviors.



Dual Language Development

Throughout the season, children increased their abilities in both the English and Spanish language. Teachers continued to surround the children with a language rich environment. Parents were provided with information on the importance of preserving the home language. Preschool children are assessed using the Teaching Strategies GOLD English language acquisition objectives.

Approaches to Learning

Free play is a large portion of the classroom schedule. Children use this time to engage in learning through play. Teachers planned both small and large group activities to foster curiosity and involve children in learning opportunities. Classrooms were filled with a variety of materials to assist teachers in providing educational activities. Each center has a resource room that teachers used to access additional supplies and materials.



Professional Development

During the season, Telamon Tennessee worked closely with the Training and Technical Assistance Provider, fhi360, to identify training needs in the program. The Early Childhood Education Specialist visited the preschool and infant/toddler classrooms. After the classroom observations, fhi360 staff met with the Education Specialists/Center Directors to provide feedback. Teaching staff members continue to pursue educational goals and more teachers are pursuing an AA degree or certificate in early childhood education. Staff members are encouraged to register for college coursework. Telamon Tennessee supports the process of applying for Pell Grants and provides supplemental assistance to those staff members registered for courses. During the offseason, staff members continue to participate in coursework to acquire required credentials.

Telamon Tennessee has implemented the Classroom Assessment Scoring System (CLASS) since the 2011 season. This monitoring tool measure the quality of teacher-child interactions. All preschool staff, Education Specialists, the Mentor Coach, and the State Education Coordinator participated in *Teachstone's Looking at CLASSrooms* online training to increase knowledge of the CLASS tool during the 2013-2014 program year. Each season, CLASS reliable staff members conduct two CLASS observations on Preschool Teachers, discuss results, and demonstrate teaching techniques that promote active child learning in the classroom. Scores are used to determine training needs for the preschool teachers.

Telamon Tennessee CLASS Program Scores

Observation	Emotional Support	Classroom Organization	Instructional Support
2010 OHS Review Observation Average	5.1	4.5	2.2
2013 OHS Review Observation Average	6.3	5.4	2.7
2015 Mentor Coach Observation Average	6.3	5.1	4.1
2016 Mentor Coach Observation Average	6.6	5.5	4.3

CLASS scores indicate that the program is scoring relatively high in Emotional Support and Classroom Organization. Scores in Instructional Support have increased since the 2010 Federal Review. The program continues to focus on Instructional Support in training for teachers. The difference between Instructional Support scores for the review and program observations could be due to the comfort level of the teacher during the observation and the fact that program scores are an average of multiple observers and observation cycles.

Early Childhood Mentor Coach Specialist

In 2010, Telamon Tennessee was honored to be awarded the Early Learning Mentor Coach Specialist Grant from the Department of Health and Human Services, the Office of Head Start and the Administration for Children and Families. When the grant cycle ended, Telamon Tennessee chose to continue funding this position. The Mentor Coach works with teachers in the preschool classroom to develop teaching skills and increase their knowledge of early childhood education. The Mentor Coach works with the State Education Coordinator to complete the Classroom Assessment Scoring System classroom observations in preschool classrooms. Plans for improvement are made based on the results of this observation. During the offseason, the Mentor Coach provides support to staff members enrolled in college courses. Five staff members have attended the Practice Based Coaching training provided by Training and Technical Assistance to improve the classroom coaching process. The Mentor Coach works with the center Education Specialists and Center Directors to implement Practice Based Coaching at their centers.

Transportation Services

During the 2016 season, families in the following counties received transportation services: Granger, Greene, Unicoi, Rhea, Bledsoe, Cocke, Hamblen, and Jefferson. A total of 210 children (95%) were transported from the bus stop to school, field trips, and for medical services including therapy. Twelve children (5%) did not receive transportation services as a result of living outside the allowable ride time of 45 minutes as allowed or 60 minutes with a waiver from Department of Human Services (DHS). A yearly examination of each bus is completed by a certified mechanic prior to the State Trooper's inspections, which determines if the bus is approved to operate and carry children. Each bus has a daily pre-trip check before the bus is used and a monthly inspection completed by a certified mechanic to ensure each bus is safe for transporting children.

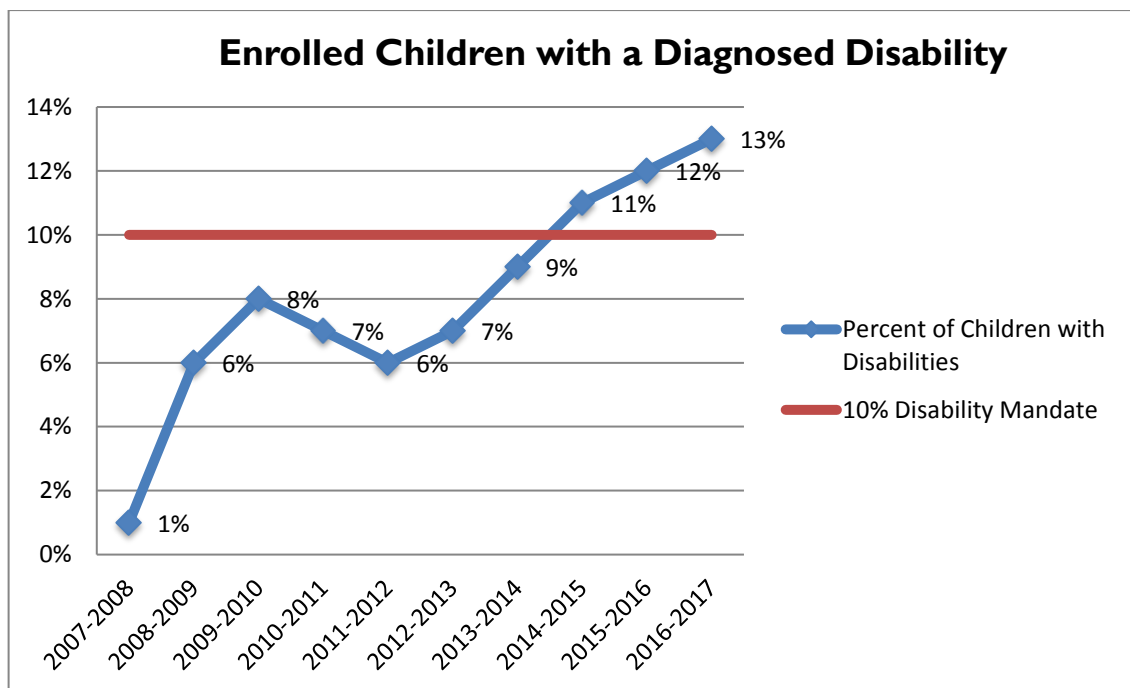
Safety

As part of ensuring facilities are safe for the children, staff, and visitors, inspections are performed by licensed vendors on HVAC, plumbing, electrical, septic, fire systems, security system, environmental, etc. The Center Director or their designee perform an annual safety check of the facility. The Property Coordinator does a facility inspection before the centers open to address any repairs to be made before the season begins and another inspection is completed during the season. A safety inspection of our facilities was performed in August by a Grantee Specialist from FHI360. In the 2016 season, four community partners performed safety inspections at a center in their area. During the season we continue to have unannounced monthly inspections by DHS, the environmentalist, fire marshal, and safe environments. Additionally, daily and monthly inspections are completed on other areas including, but not limited to, playgrounds, classrooms, fire extinguishers, carbon monoxide detectors, and first aid kits.

Within the first 30 days of the program year, 71 parents received education via discussions, videos, handouts, and hands-on training on the following: car seat, transportation, pedestrian, poisonous plants, heatstroke, pesticide poison, fire and smoke alarm safety. Parents participated in proper child securement in the car seat training and a puzzle on fire safety for their home. At each meeting, a smoke detector was given away as a door prize.

Services for Children with Disabilities

Telamon Tennessee ensures that assessments are conducted on enrolled children to determine needs for individualized services. Last season, 218 children were assessed for developmental, sensory, and behavioral concerns. Sixty-nine (32%) were identified as needing follow-up to determine if the child had a disability. Thirteen (19%) of those children qualified for disability services, which were provided in coordination with Tennessee Early Intervention System and the LEA's. The percentage of children with a diagnosed disability served during the 2016-2017 season is 13% of funded enrollment.



For the third consecutive year, Telamon Tennessee exceeded the Office of Head Start policy stating that no fewer than 10% of the total number of children enrolled be children with disabilities. The program has shown significant improvement over the years as the percentage was a mere 1% in 2008, but has been steadily increasing and reached 13% in 2016.

Health and Disabilities 2016-2017

Children referred for further vision testing	69
Children who had or received glasses by the end of the season	48
Children referred for further dental evaluation	46
Children referred for evaluation with LEA or Tennessee Early Intervention System.	66
Children who qualified for disability services	13
Children who already had plans in place	19
Total children served with disabilities	32
Percentage of preschool children considered overweight or obese based on Body Mass Index calculations.	39%

Success Story



Born in Guatemala, Mayrani moved to the United States at four years of age and came to Tennessee in the summer of 2016 when her mother found agricultural work in rural Greene and Cocke Counties. At five years old, she had never attended school or a child care program of any kind. When her mother tried to enroll Mayrani for kindergarten, she was told that Mayrani had potential speech delays and hearing problems. The local school system recommended that she enroll at Telamon Tennessee Migrant and Seasonal Head Start (MSHS) instead of kindergarten.

Mayrani's mother was only planning to be in Tennessee for a short period of time before moving on to pursue work in the fields of

South Carolina in the fall and then on to Florida in the winter. The team at Telamon moved quickly to set appointments for Mayrani with Speech Language Pathologists, Audiologists, Pediatricians, and Ear, Nose, and Throat (ENT) Doctors, many of whom offered their services at free or reduced rates.

After a battery of tests, screenings, and exams, Mayrani was indeed found to have a hearing disorder. She needed hearing aids as well as surgery to remove her tonsils and adenoids. The hearing aids were provided free of charge, as well as all ENT services including surgery. This multitude of appointments, evaluations, surgery, and hearing aid placement was all completed within the seven weeks she was enrolled in the program. During this time, an Individualized Education Program (IEP) was also completed to ensure appropriate interventions and services. Telamon staff guided Mayrani and her mother through these

processes, ensuring that Mayrani got the services and support she needed. Mayrani quickly recovered from her surgery, and with her new hearing aids, she began to show signs of progress. Mayrani and her family have moved to Florida where they continue to receive support from the Redlands Christian Migrant Association MSHS program. Mayrani's mother is her biggest advocate and works with programs to ensure her future is as bright as can be.



Telamon Corporation Tennessee would like to thank all of our funders, families, volunteers, community partners, and staff for a successful 2016-2017 season. For more information about our program and how to get involved, please contact our state office at 865-212-4011. Our state office is located at 4713 Papermill Road Knoxville, TN 37909.

Telamon Corporation is an equal opportunity employer. Under any program operated by Telamon Corporation, no applicant, client, or other person may be favored or discriminated against because of age, sex, race, color, national origin, political preference, religious opinions or affiliations, sexual orientation or disability.



**Report of Independent Auditor on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Consolidated Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors
Telamon Corporation and Subsidiaries
Raleigh, North Carolina

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 accompanying consolidated financial statements of Telamon Corporation and subsidiaries (the "Organization") as of and for the year ended September 30, 2015, and the related notes to the consolidated financial statements, which collectively comprise the Organization's consolidated financial statements, and have issued our report thereon dated February 9, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's 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 Organization's consolidated 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. We did identify a deficiency in internal control as described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency which was not considered a material weakness as described as 2015-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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*.

Response to Finding

The Organization's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Handwritten signature of Cherry Rickett LLP in cursive script.

Raleigh, North Carolina
February 9, 2016

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Board of Directors
Telamon Corporation and Subsidiaries
Raleigh, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Telamon Corporation and subsidiaries (the "Organization") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2015. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133, 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 Organization'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. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization 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 September 30, 2015.

Report on Internal Control over Compliance

Management of the Organization 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 Organization's 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 OMB Circular A-133, 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 Organization'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 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 significant deficiencies or material weaknesses. 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.

Channing R. Robert LLP

Raleigh, North Carolina
February 9, 2016