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TO: Executive Directors and Fiscal Officers
EarlyLearnContract Agencies

FROM: Marcia Gilliland, Assistant Commissioner, Division of
Financial Services, Audit and Banking

DATE: September 7, 2016

SUBJECT: Fiscal Year 2016 Early Learn Audit Instructions

The threshold for completing the Single Audit for Fiscal Year 2016 and Calendar Year 2015 is \$750,000 Federal expenditures. All contractors who meet the threshold for completing the Single Audit are required to submit their Fiscal Year 2016 Federal OMB Single Audit, Financial Statements and EarlyLearn Supplemental Schedules by March 31, 2017. Please be reminded that:

- 1. The Administration for Children's Services (ACS) does not give extensions for the submission of the Single Audit.**
- 2. Audits arriving after March 31, 2017 and incomplete audits are considered late.**
- 3. Late submissions may affect agency's Fiscal Administration score (Vendex).**

ACS requires the completion of 3 supplemental schedules for all EarlyLearn programs administered by ACS for Fiscal Year 2016. Contractors receiving Head Start funding are required to complete 5 schedules.

EarlyLearn Schedule templates are provided in the enclosed package along with the Single Audit instructions. Contractors must advise the Certified Public Accounting (CPA) firm that is engaged to perform the Single Audit that these three (five for agencies with Head Start funding) Schedules are required for each Early Learn program administered and are also due to ACS by March 31, 2017.

There have been some changes to required reporting in both the Notes to the Financial Statements and the ACS Supplemental Schedules. Included with this memo is a listing of "What's New in FY16". Please refer to this document and share with your auditor.

Providers that are not subject to Single Audit are also required to submit EarlyLearn Schedules for each EarlyLearn program and their Financial Statements to ACS by March 31, 2017. A signed Attestation from the Chief Financial Officer stating that the agency received less than \$750,000 in federal funds and is therefore not required to complete Single Audit is required to be submitted with Schedules and Financial Statements. Attached you will find a sample Attestation.

Completion of the Schedules will serve to provide accurate information to complete a final closeout for the fiscal year and comply with New York State monitoring requirements. The auditor is to be instructed to complete the Children's Services required Schedules for each program with a separate Budget ID Number.

This memorandum must be shared with the CPA conducting the Single Audit report. The CPA's work will be guided by this memorandum, audit instructions, and the ACS Financial Services Fiscal Manual accessible at:

http://www1.nyc.gov/assets/acs/pdf/early-care-education/fiscal_manual/NYC_ACS_EarlyLearn_Fiscal_Manual_Version_2_2016_04_14.pdf

Please note that the payment confirmations will continue to be sent to EarlyLearn agencies instead of CPA firms. Please ensure that the CPA firm engaged to perform the Single Audit receives all appropriate documentation including payment confirmation.

Please submit one (1) copy of the audit report to:

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| <p>Administration for Children's Services Division of Financial Services, Audit and Banking 150 William Street, 10thFl. New York, NY 10038 Attn: Marcia Gilliard, Assistant Commissioner</p> |
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and a PDF to: Denise.Borak@acs.nyc.gov

Please review the attached material. If you have any questions, please call Denise Borak at (212) 676-8880.

Thank you for your cooperation.

CC: D. Brandwein, D. Borak, P. Desrosiers, Audit Liaisons