

# EARLY HEAD START/ HEAD START ANNUAL REPORT

## 2018 -2019

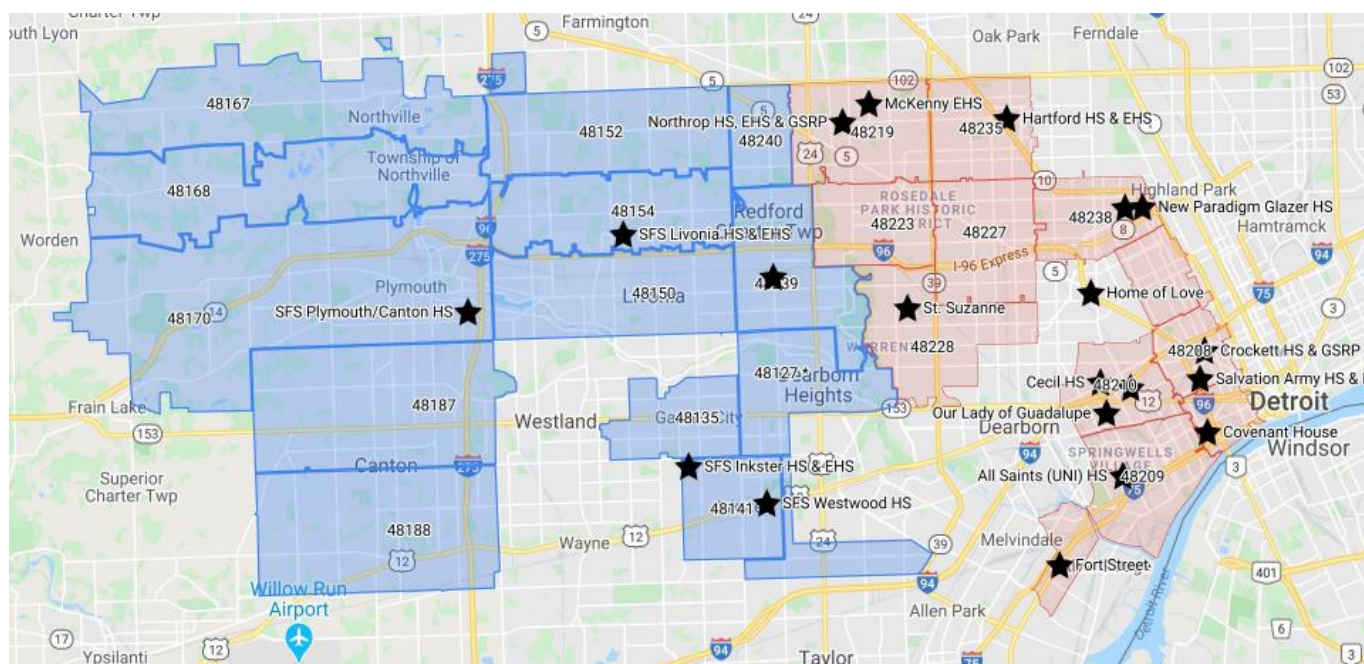


Strengthening families to create brighter futures for children  
[StarfishFamilyServices.org](https://StarfishFamilyServices.org)

## About Us

Starfish Family Services (SFS) is a private, nonprofit agency serving children and families in metro Detroit. Founded in 1963, the agency's mission is ***"Strengthening families to create brighter futures for children."*** Early childhood development is our passion. Every day, we strive to prepare young children for a successful start to school and life. As a leading provider of Early Head Start and Head Start programs, we embrace a wholistic, family-centered approach that supports healthy families, successful students, and empowered parents. Our strong community partnerships nurture lasting impact and align community systems to help children and families succeed. Starfish Family Services is a grantee funded to provide Early Head Start and Head Start (EHS/HS) services under four grants for 1,522 children and their families in Detroit and Western Wayne County, Michigan.

## Our Reach



**KEY:** Starfish Family Services, along with three delegates and one contractual partner, provided Head Start & Early Head Start services in the city of Detroit to 1,072 children & families through two grants (Detroit Early Head Start 05CH010519 & Birth to Five (05CH8412). The Detroit service area is shaded red. Through two grants (Early Head Start 05CH8419 & Birth to Five 05CH010391) Starfish Family Services provided direct services for 450 children and families living in the Western Wayne County area. The Western Wayne service area is shaded blue.

## A Letter from Our Vice President of Early Childhood Education & Strategy

Dear Starfish Head Start and Early Head Start supporters,

Starfish operates high-quality early childhood education programming services for four grant awards across Western Wayne County and Detroit. Starfish implements two grants, providing early childhood education programming for infants, toddlers, and preschoolers in Western Wayne County. Starfish also implements two grants in Detroit through a combination of direct programming and utilization of other community agencies.

This report includes important data reflective of the progress, challenges, and accomplishments of implementing the Starfish Head Start/Early Head Start grants, and highlights impacts in the areas of health, school readiness, and family empowerment.



Starfish implements research-based curricula, supporting all areas of development and utilizing best practices to offer a high-quality learning experience at each of our locations. Starfish is becoming a trauma-informed agency and employees are trained to recognize trauma and mitigate its effects in the classroom, with each other, and with families. Starfish is family centric and intentionally puts families at the center of our work, meeting families where they are and partnering with them to achieve their goals. Starfish recognizes the rich diversity of families and offers opportunities through the Parent Leadership Team to develop relationships, build social capital, and add family voice to Starfish decisions.

Starfish is dedicated to supporting early childhood education families to navigate the opportunity gaps and challenges they face simply because of their ZIP Code. For example, low wages, lack of employment opportunities, lack of affordable housing, inadequate public safety in their neighborhoods, lack of local grocery stores, access to health, dental and behavioral health services, underperforming educational systems, trauma, and racial injustice. Starfish works with community partners to strengthen, improve, and enhance early childhood education services and to provide every child with an individualized learning experience. Starfish is fortunate to work closely with a board of directors, policy councils, and community partners who are committed to ensuring families are supported to reach their goals and each child develops to their fullest potential.

As the Vice President of Early Childhood Education and Strategy at Starfish Family Services, I am pleased to present the following Head Start Annual Report for the 2018-2019 School Year.

Regards,

Karen Roback  
VP Early Childhood Education & Strategy

## Grant Transitions

**Under Enrollment Designation:** On October 19, 2018, the Office of Head Start (OHS) designated Starfish Family Services as “chronically under enrolled” for the Detroit Birth to Five 05CH8412 grant. The program had consistently encountered difficulties filling part-day/part-year Head Start slots and the saturation of Head Start slots and providers in ZIP Code 48210, which includes sister grantee Matrix Human Services, was high. Based on this decision, our total Head Start funded enrollment decreased from 766 to 714 slots effective January 1, 2019.

**Re-Competition:** On January 31, 2018, Starfish Family Services received a “Notice of Competitive Status” letter from the Office of Head Start (OHS) indicating that Starfish Family Services met one or more of the criteria listed in the Head Start Performance Standard Regulation 45 CFR Part 1304, which required an open competition for the 05CH8412 Detroit Birth to Five grant. Based on this determination, the 05CH8412 Detroit Birth to Five grant would officially end on June 30, 2019.

In response, Starfish engaged in a robust planning process and submitted a comprehensive grant application in January 2019. On July 1, 2019, Starfish was successfully awarded a new five-year Detroit Birth to Five grant 05CH011045. Starfish turned a challenge into an opportunity to course correct and enhance services in the city of Detroit. For example, our revised program configuration was designed to meet the changing needs of our families. We increased EHS center-based opportunities and expanded our Head Start programming model to ensure 100% of our HS classrooms meet/exceed 1,020 hours of classroom instruction.

## Most Recent Review by the Secretary

On February 15, 2019, Starfish Family Services received results from the Office of Head Start on-site CLASS review, which was conducted from November 4, 2018, to November 9, 2019, for the Western Wayne Birth to Five grant 05CH010391. Observations were conducted by federal reviewers in preschool center-based classrooms using the Pre-K Classroom Assessment Scoring System (CLASS). The CLASS tool looks at three domains and ten dimensions of teacher-child interactions and measures those observed interactions on a seven-point scale. **Starfish received the following scores:**

DOMAIN	Score	DOMAIN	Score	DOMAIN	Score
Emotional Support	6.0556	Classroom Organization	5.9907	Instructional Support	3.3333

DIMENSIONS					
Positive Climate	5.86	Behavior Management	5.83	Concept Development	3.06
Negative Climate*	1.25	Productivity	6.25	Quality of Feedback	3.17
Teacher Sensitivity	5.83	Instructional Learning Format	5.89	Language Modeling	3.78
Regard for Student Perspectives	5.78				

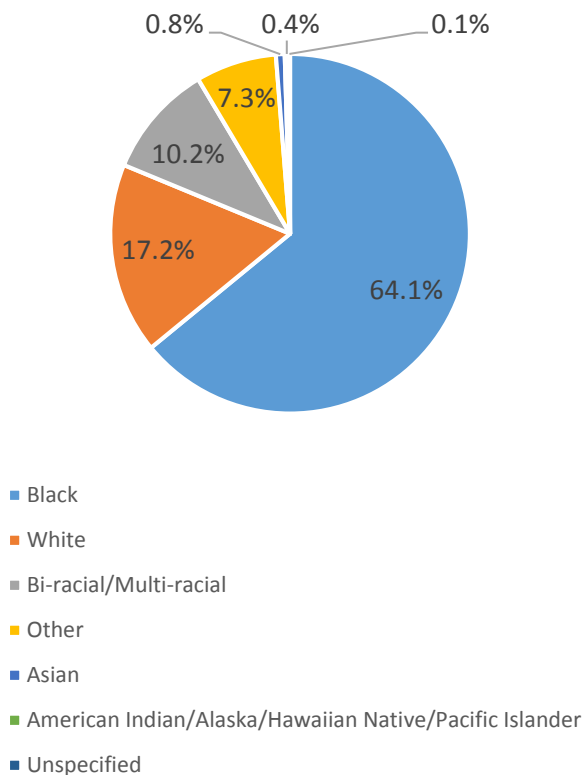
\* The Negative Climate dimension is the only area where growth is measured by a decrease in score.

## Eligibility Type and Income Level of Families

In keeping with the federal eligibility regulations and Head Start Performance Standards, the vast majority of the families served by Starfish Family Services and its delegate/vendor agencies are below the federal poverty line, which ensures that families have access to high-quality educational and social services regardless of their income.

Eligibility Type 2018-2019							
Detroit Early Head Start 05CH010519		Detroit Birth to Five 05CH8412		Early Head Start Western Wayne 05CH8419		Birth to Five Western Wayne 05CH010391	
Below Income	284	Below Income	812	Below Income	63	Below Income	394
Public Assistance	2	Public Assistance	27	Public Assistance	4	Public Assistance	26
Allowable Over Income (101% - 130% of Poverty)	17	Allowable Over Income (101% - 130% of Poverty)	59	Allowable Over Income (101% - 130% of Poverty)	0	Allowable Over Income (101% - 130% of Poverty)	0
Over Income	21	Over Income	75	Over Income	7	Over Income	49
Homeless	6	Homeless	26	Homeless	3	Homeless	2
Foster Children	0	Foster Children	6	Foster Children	2	Foster Children	13
<b>Total</b>	<b>330</b>	<b>Total</b>	<b>1,005</b>	<b>Total</b>	<b>79</b>	<b>Total</b>	<b>484</b>

## Race and Ethnicity



64% of our children are Black or African American.

Approximately 18% of our children are Hispanic/Latino and 15% of our families speak Spanish as the primary language in the home.

The primary language for 6.2% of our families is classified as Middle Eastern.

## Program Enrollment

Head Start : Monthly Enrollment			
Month	Head Start Actual Enrollment	Head Start Funded Enrollment	% Enrolled
September 2018	882	1,085	81%
October 2018	968	1,085	89%
November 2018	1,000	1,085	92%
December 2018	1,011	1,085	93%
January 2019*	1,013	1,033	98%
February 2019	1,023	1,033	99%
March 2019	1,024	1,033	99%
April 2019	1,027	1,033	99%
May 2019	1,023	1,033	99%
June 2019	1,013	1,033	98%
* Revised after chronic under-enrollment determination for Detroit BT5			
Early Head Start: Monthly Enrollment			
Month	Early Head Start Actual Enrollment	Early Head Start Funded Enrollment	% Enrolled
September 2018	407	489	83%
October 2018	463	489	95%
November 2018	490	489	100%
December 2018	491	489	100%
January 2019*	489	489	100%
February 2019	489	489	100%
March 2019	489	489	100%
April 2019	490	489	100%
May 2019	489	489	100%
June 2019	492	489	101%
July 2019*	367	367	100%
August 2019	371	367	101%
* New Detroit BT5 grant award and interim startup period			

## Family Engagement, ParentCorps & Trauma-Informed Approach

**Family Engagement:** Starfish Family Services and its delegate/vendor agencies foster an environment that supports family connections and active engagement. Our family engagement strategies build trusting and mutually respectful relationships by modelling transparency, respect, cultural diversity, and shared leadership.

Family Service Workers/Family Service Guides developed supportive relationships with parents, provided families with critical resources in their communities, and assisted parents/caregivers with establishing and achieving goals for themselves and their families.

- The Family Partnership Agreement (FPA) is a fluid document that follows the progress of the family as they accomplish identified goals, establish new goals, and address concerns and needs of the family.
- The Family Service Assessment (FSA) provides critical information that is imperative for goal setting and identifies needs in 15 categories, including housing, nutrition, health, and medical care.

The following table provides a summary of family services per grant during the 2018-2019 program year:

Family Services Type	Western Wayne Early Head Start 8419	Western Wayne Birth to Five 010391	Detroit Birth to Five 8412	Detroit Early Head Start 010519	Total
Emergency	11	136	730	200	1,077
Housing	10	35	125	78	248
Mental Health Service	3	12	72	28	115
ESL	2	9	118	17	146
Adult Ed/GED	7	33	261	36	337
Job Training	6	22	215	77	320
Substance Abuse Prevention	0	0	31	1	32
Substance Abuse Treatment	0	1	14	2	17
Child Abuse & Neglect	0	0	20	2	22
Domestic Violence	0	0	38	11	49
Child Support Assistance	0	3	76	21	100
Health Ed	9	83	711	153	956
Assistance Incarcerated Individuals	0	1	14	6	21
Parenting Education	11	232	857	203	1,303
Marriage Education	0	2	20	4	26
Asset Building Services	0	15	105	51	171
Total Family Services	59	584	3,407	890	4,940
Total Number of Families	67	438	931	243	1,679
# of Families Receiving At Least One Service	39	324	916	235	1,514
% of Families Receiving At Least One Service	58.21%	73.97%	98.39%	96.71%	90.17%

During the 2018-2019 program year, 90.17% of our families received at least one family service, significantly exceeding the national average of 66.4%. The program provided 4,940 total family services, which represents a 34% increase compared to the prior year. **According to our Program Information Report (PIR):**

- 1,077 families received services for emergency support and intervention such as meeting immediate needs for food, clothing, or shelter
- 1,303 families were provided parenting education
- 956 received services associated with health-related matters
- 320 families were connected to job training
- 337 received adult education, such as GED programs or college selection.

Across our Head Start and Early Head Start platform, 54 families experienced homelessness during the enrollment period. Of these families, 59% were able to acquire housing by the end of the program year, exceeding the national average of 31.3%. Collectively, we served 53 children who were in foster care.

**ParentCorps:** The Detroit program continued to implement ParentCorps, a culturally informed approach to engaging families and building parents' social capital, well-being, and ability to support their children's health and development. ParentCorps' FUNdamentals Family Engagement Professional Development component is designed to support a culture that values parents and utilizes evidence-based practices to strengthen parent engagement and children's social, emotional, and behavioral regulation skills. Since 2016, 188 staff have participated in this two-day experiential training. Staff evaluations continue to indicate positive support and feedback regarding ParentCorps' approach and philosophy.

- 100% of staff agreed or strongly agreed that they learned something new that they can use in their work with children and parents.
- 100% of participants reported that they felt confident in their ability to support families in helping their children do well in school.
- 100% of participants indicated that they thought about families differently following the training.

To strengthen our family engagement approach, the Detroit program launched ParentCorps' *Parenting Program*. The *Parenting Program* uses evidence-based practices to promote social, emotional, and behavioral regulation skills. To date, 39 parents have completed the *Parenting Program*.



The series was positively received by program participants who were consistent with attendance and gave honest feedback about all 14 topics implemented in the program. Parents supported each other, formed a bond, and encouraged other families to attend the *Parenting Program* training. The

results remain positive with 100% of parents indicating that since coming to the ParentCorps' *Parenting Program* they felt more confident speaking up for their child's needs at school.

**Trauma-Informed Approach:** Starfish Direct Services continued to incorporate the nationally recognized Trauma Smart™ model into our service delivery design. Trauma Smart™ places specific emphasis on ensuring that early childhood staff recognize the impact of adverse early childhood experiences and toxic stress have on very young children; identify behaviors as symptoms of stress and trauma; and intervene in ways to promote healthy child development and positive learning environments. Our trauma-informed approach includes:

- 20 hours of research-based trauma-awareness training for all program staff.
- Evidence-based trauma screenings for program participants.
- Mental health consultation by on-site Preschool Behavioral Health Therapists (PBHTs), who provide reflective supervision, behavioral intervention, mental health observations, and consultation.
- Monthly coaching sessions with Early Childhood Specialists to strengthen trauma-informed classroom practices.
- Trauma awareness education for parents/families.

During the 2018-2019 school year, Preschool Behavioral Health Therapists provided over 3,579 hours of intensive, trauma-informed support. The PBHTs were available to meet with parents, providing information, consultation, and referrals. Through this process, PBHTs provided families with mental health consultation for 87 children, and 57 children were referred for mental health services.

In addition, Starfish provided trauma-awareness education to families participating in our Western Wayne grants. The parent education component of Trauma Smart™, called *Smart Connections*, is designed to help parents understand the impact of trauma, learn practical trauma-informed strategies to support their child during difficult times, and increase their capacity to build resiliency. Eighty-five Western Wayne parents participated in the *Smart Connections* training modules. **The evaluations revealed that, on average:**

- 97% of families were satisfied with the trauma-awareness modules
- 97% of parents indicated that they were likely to practice what they learned at home.

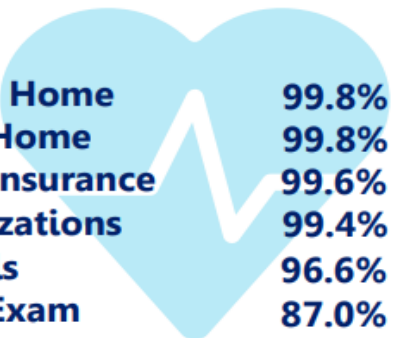
## Child Health and Well-Being

Starfish Family Services coordinates health, mental health, nutrition, and oral health services to meet the needs of pregnant women and children birth to five. Family Service Workers/Family Service Guides (FSWs/FSGs) collect important family health information, which serves as a starting point in meeting the individual health and wellness needs of each family.

To support service delivery, FSWs/FSGs and Health Specialists partner with parents to ensure families understand HS and EHS requirements and the importance of achieving an up-to-date health status for their children including ongoing care and timely follow-up. The Family Partnership Agreement (FPA) provides a framework for program staff and parents to jointly determine individual family health and wellness needs, establish goals, and plan for services. Family Service Workers/Guides provide resources, referrals, and support to ensure that families have access to medical, dental/oral, mental, social/emotional, and nutritional services.

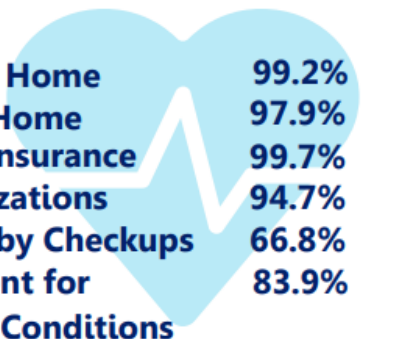
According to our 2018/2019 Performance Indicator Report (PIR), the following is an analysis of our end-of-the-year health indicators, which demonstrated health and wellness outcomes:

## Head Start



		Western Wayne	Detroit
		Birth to Five	Birth to Five
Medical Home	99.8%	378	840
Dental Home	99.8%	379	839
Health Insurance	99.6%	378	838
Immunizations	99.4%	379	835
Physicals	96.6%	361	819
Dental Exam	87.0%	334	728
Treatment for Chronic Conditions	93.8%	45	75

## Early Head Start



		Western Wayne		Detroit	
		EHS	Birth to Five	EHS	Birth to Five
Medical Home	99.2%	79	88	155	281
Dental Home	97.9%	79	88	151	277
Health Insurance	99.7%	79	89	155	283
Immunizations	94.7%	79	88	148	261
Well-baby Checkups	66.8%	57	66	94	189
Treatment for Chronic Conditions	83.9%	2	1	14	9

Our Head Start and Early Head Start programs have continued to expand the delivery of health services by establishing strong partnerships with health providers to support medical, dental, and mental health services. Examples of new or expanded collaborations include:

- Nurses United Resource Specialist & Educational Services provided on-site Basic Life Support and Adult, Child, and Infant Automated External Defibrillator (AED) training.

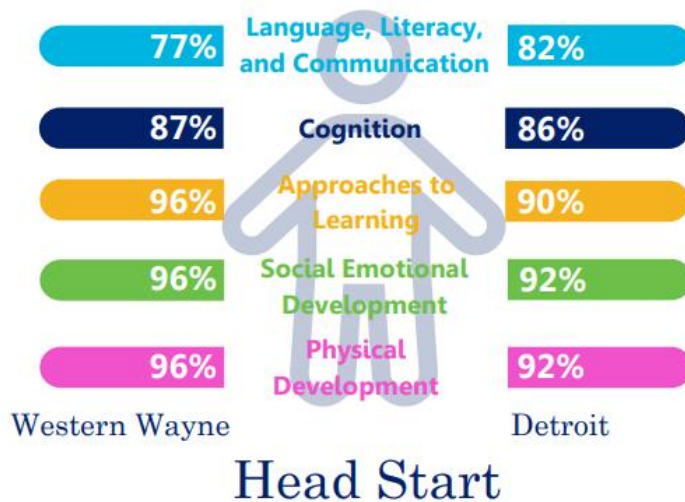
- Lions of Michigan Foundation-Project KidsSight provided in-depth vision screenings for children.
- UCLA’s Health Care Institute provided parents with health literacy training. Year one focused on common childhood illnesses.
- Kohl’s CARES & Safe Sleep program provided instruction about safe sleep to reduce the risk of SIDS and other sleep-related causes of infant death.
- Covenant Family Dental provided dental resources and oral hygiene services for families.
- Gleaner’s Community Food Bank/Higher Hopes provided monthly Mobile Food Pantry pop-ups for our families and community at multiple locations.
- Henry Ford System---Generation with Promise provided nutrition education programs for parents and children in the classroom.
- The Children’s Center provided mental health, disability, parent support groups and training opportunities for program participants in Detroit.

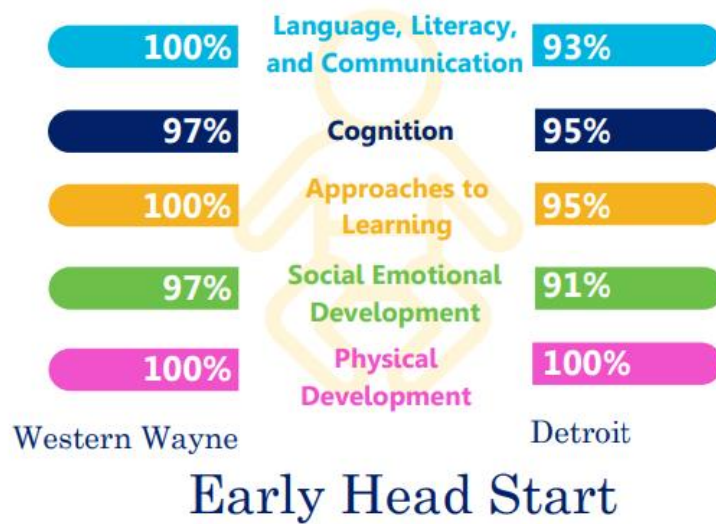
## School Readiness and Child Outcomes

Child outcomes data was collected using HighScope Child Observation Record Advantage (COR Advantage). The HighScope COR Advantage tool provides an assessment associated with the research-based HighScope curriculum and aligns with the 5 Developmental Domains of the *Head Start Early Learning Outcomes Framework: Ages Birth to Five* (HSELOF, 2015).

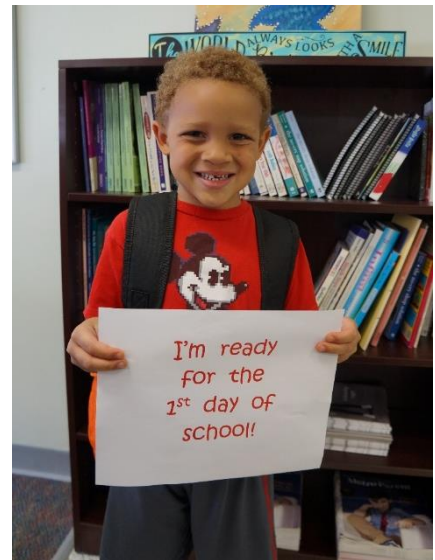
Teaching staff collected data through anecdotal observations of children and scored on a 0 – 7 scale according to the COR framework. Child outcomes data was reviewed for all groups, including children with special needs and Dual Language Learners. Outcomes for School Readiness Goals were based on children who were enrolled 100% of the time for the data collection period of Time 1 (September–November 2018) through Time 3 (March–May 2019).

An extensive analysis of our end-of-the-year COR data revealed the following indicators of proficiency for each of the developmental domains:





**Kindergarten readiness:** HighScope views children scoring at a level 4 or higher as being ready for kindergarten. An analysis of the COR data for kindergarten bound children indicated that 78% of our transitioning preschool children scored at or above the 4.0 threshold in every category.



## Program Locations

### Grantee – Starfish Direct Services (Detroit & Western Wayne)

Center	Service	Address
Cecil	Head Start	5690 Cecil Detroit, MI 48210
Central Avenue	Head Start	4330 Central Avenue Detroit, MI 48210
Covenant House	Early Head Start & Head Start	1450 25 <sup>th</sup> Street Detroit, MI 48216
Crestwood	Early Head Start & Head Start	12170 Beech Daly Redford, MI 48239
Fort Street	Early Head Start & Head Start	2233 South Fort Street Detroit, MI 48217
Inkster/Hiveley	Early Head Start & Head Start	30000 Hiveley Inkster, MI 48141
Livonia	Early Head Start & Head Start	32765 Lyndon Livonia, MI 48154
Plymouth/Canton	Head Start	11100 N. Haggerty Plymouth, MI 48170
Voyageur Academy	Head Start	4821 Military Detroit, MI 48210
Westwood	Head Start	26429 Michigan Ave. Inkster, MI 48141

### Delegate – American Indian Health & Family Services

Center	Service	Address
AIH&FS Main Office	Early Head Start	4880 Lawndale St. Detroit, MI 48210

### Delegate – Development Centers

Center	Service	Address
Hartford	Early Head Start & Head Start	13735 Seven Mile Rd. Detroit, MI 48235
McKenny	Early Head Start	19750 Burt Road Detroit, MI 48219
Northrop	Early Head Start & Head Start	19176 Northrop Detroit, MI 48219
St. Suzanne	Early Head Start & Head Start	9357 Westwood Detroit, MI 48228

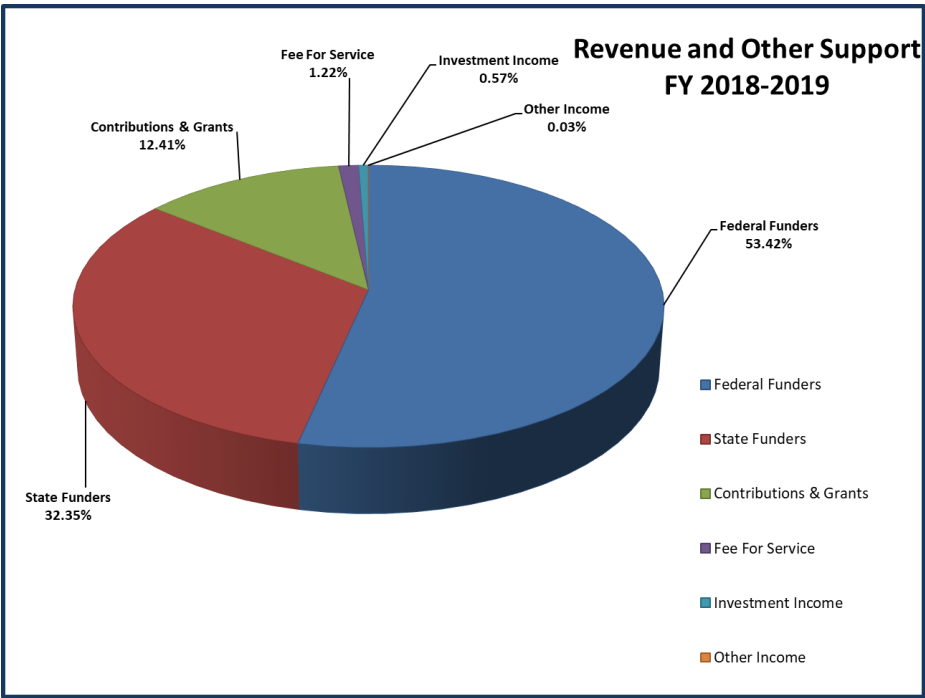
### Delegate – Focus HOPE

Center	Service	Address
Center for Children	Early Head Start & Head Start	1550 Oakman Blvd. Detroit, MI 48238
New Paradigm Glazer	Head Start	2001 Labelle Detroit, MI 48238

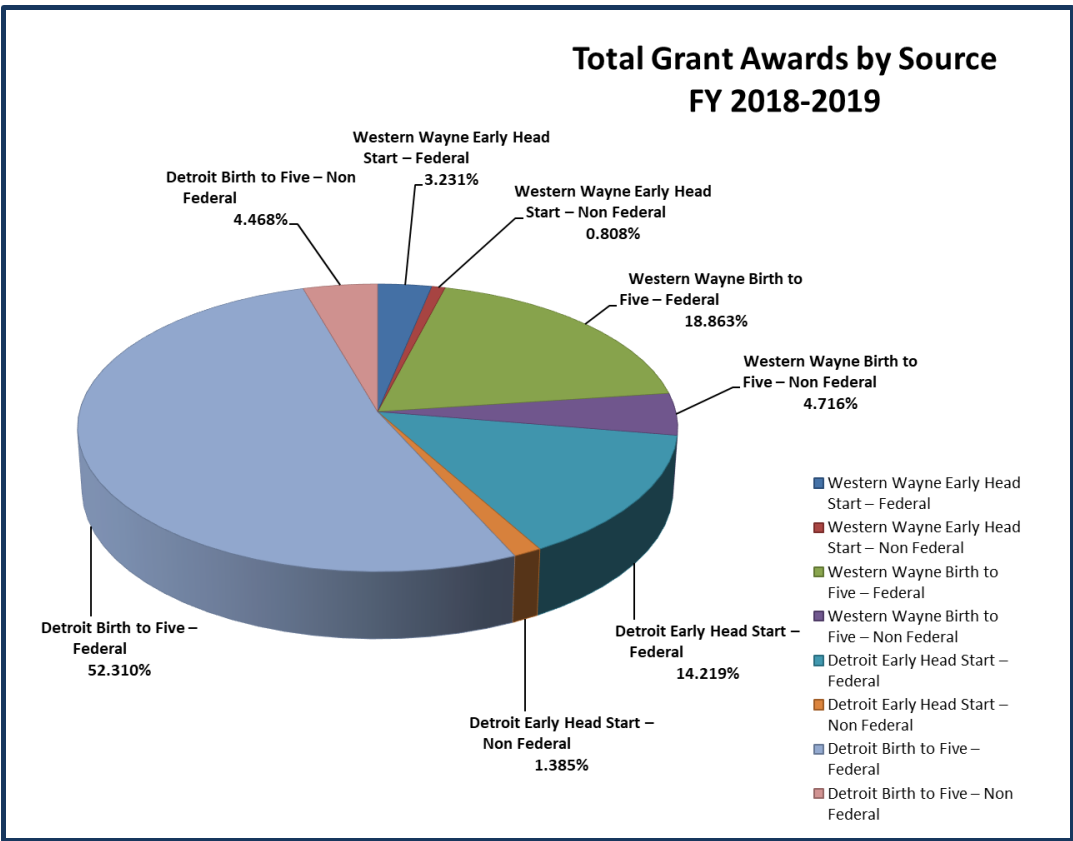
### Contractual Vendor – The Order of the Fishermen Ministry

Center	Service	Address
All Saints	Head Start	8300 Longworth Detroit, MI 48209
George Crockett Academy	Head Start	4851 14 <sup>th</sup> Street Detroit, MI 48208
Home of Love	Head Start	9990 Grand River Detroit, MI 48204
Salvation Army	Early Head Start & Head Start	3737 Humboldt Detroit, MI 48208

BUDGET & FINANCIALS: Revenue



BUDGET & FINANCIALS: Grant Awards



**STARFISH FAMILY SERVICES, INC.**  
**(A Nonprofit Organization)**

SINGLE AUDIT

REPORTING PACKAGE

SEPTEMBER 30, 2019

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of

**Starfish Family Services, Inc.**

**(A Nonprofit Organization)**

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 Starfish Family Services, Inc. (a Nonprofit Organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 10, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Starfish Family Services, Inc.'s (a Nonprofit Organization) 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 Starfish Family Services, Inc.'s (a Nonprofit Organization) internal control. Accordingly, we do not express an opinion on the effectiveness of Starfish Family Services, Inc.'s (a Nonprofit Organization) 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 the 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.

- 1 -

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Starfish Family Services, Inc.'s (a Nonprofit Organization) 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.

Troy, Michigan

January 10, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of

**Starfish Family Services, Inc.**

**(A Nonprofit Organization)**

**Report on Compliance for Each Major Federal Program**

We have audited Starfish Family Services, Inc.'s (a Nonprofit Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Starfish Family Services, Inc.'s (a Nonprofit Organization) major federal programs for the year ended September 30, 2019. Starfish Family Services, Inc.'s (a Nonprofit Organization) 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Starfish Family Services, Inc.'s (a Nonprofit Organization) 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 Starfish Family Services, Inc.'s (a Nonprofit Organization) compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

- 3 -

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## **Auditor's Responsibility (Continued)**

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 Starfish Family Services, Inc.'s (a Nonprofit Organization) compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Starfish Family Services, Inc. (a Nonprofit 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, 2019.

## Report on Internal Control Over Compliance

Management of Starfish Family Services, Inc. (a Nonprofit 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 Starfish Family Services, Inc.'s (a Nonprofit Organization) 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 Starfish Family Services, Inc.'s (a Nonprofit Organization) 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 preceding paragraph 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 Internal Control Over Compliance (Continued)**

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.

Troy, Michigan

January 10, 2020

# STARFISH FAMILY SERVICES, INC.

(A Nonprofit Organization)

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

---

SEPTEMBER 30, 2019

### SECTION I

#### SUMMARY OF AUDITOR'S RESULTS

##### Financial Statements

Type of auditor's 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 weakness(es)? Yes X No \_\_\_\_\_

Noncompliance material to the 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 No

Type of auditor's report issued on compliance for major  
programs: Unmodified

Any audit findings disclosed that are required to be reported in  
accordance with the Uniform Guidance, 2  
CFR 200.516(a)? \_\_\_\_\_ Yes X No

**STARFISH FAMILY SERVICES, INC.**

**(A Nonprofit Organization)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

---

**SEPTEMBER 30, 2019**

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	---

93.600

Head Start Cluster

Dollar threshold used to distinguish between

Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes

\_\_\_\_\_ No

**SECTION II**

**FINANCIAL STATEMENT AUDIT FINDINGS**

None.

**STARFISH FAMILY SERVICES, INC.**

**(A Nonprofit Organization)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**SEPTEMBER 30, 2019**

**SECTION III**

**FEDERAL AWARD AUDIT FINDINGS**

None.

**STARFISH FAMILY SERVICES, INC.**

**(A Nonprofit Organization)**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**SEPTEMBER 30, 2019**

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## **SECTION IV**

### **PRIOR YEAR FINDINGS**

#### **FINANCIAL STATEMENT AUDIT FINDINGS**

None.

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**SEPTEMBER 30, 2019**

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**SECTION IV (Continued)**

**PRIOR YEAR FINDINGS (Continued)**

## **FEDERAL AWARD AUDIT FINDINGS**

None.

STARFISH FAMILY SERVICES, INC.

(A Nonprofit Organization)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2019

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Federal Agency/Pass-Through Agency Program Title	Federal CFDA Number	Award Amount	Passed Through to Subrecipients	Federal Expenditures

---

## **U.S. Department of Health and Human Services**

			823,803	-	603,942
Early Head Start (Out Wayne County)					
Project 1/1/18 - 12/31/18 (05CH8419-04-02)					
Project 1/1/19 - 12/31/19 (05CH8419-05-01)			<u>1,633,601</u>	<u>-</u>	<u>806,055</u>
Total Early Head Start (Out Wayne County)	93.600				
			3,905,561	911,681	1,175,193
Early Head Start (Detroit)			<u>3,973,109</u>	<u>2,063,078</u>	<u>2,515,591</u>
Project 1/1/18 - 12/31/18 (05CH010519-01-02)					
Project 1/1/19 - 12/31/19 (05CH010519-02-01)			<u>7,878,670</u>	<u>2,974,759</u>	<u>3,690,784</u>
Total Early Head Start (Detroit)	93.600				
			14,902,437	2,763,820	
Detroit Birth to Five					4,630,772
Project 1/1/18 - 12/31/18 (05CH8412-05-03)			7,103,647	3,555,691	6,653,076
Project 1/1/19 - 6/30/19 (05CH8412-06-01)			9,606,578	1,473,082	
Project 7/1/19 - 12/31/19 (05CH011045-01-01)					<u>2,646,356</u>
Total Detroit Birth to Five			<u>31,612,662</u>	<u>7,792,593</u>	<u>13,930,204</u>
Birth to Five (Out Wayne County)					
Project 1/1/18 - 12/31/18 (05CH010391-03-03)	93.600				
Project 1/1/19 - 12/31/19 (05CH010391-04-02)			4,732,394	-	1,477,196
Total Birth to Five (Out Wayne County)			<u>4,931,965</u>	<u>-</u>	<u>3,565,001</u>
Total Head Start Cluster			<u>9,664,359</u>	<u>-</u>	<u>5,042,197</u>
			<u>50,789,292</u>	<u>10,767,352</u>	<u>23,469,240</u>
Passed Through United Way					
Child Care and Development Block Grant					
Project 10/1/18 - 9/30/19	93.575				
Total Passed Through United Way			<u>138,695</u>	<u>-</u>	<u>130,887</u>
Passed Through Michigan Department of Health and Human Services					
Pregnancy Assistance Fund			<u>138,695</u>	<u>-</u>	<u>130,887</u>
Project 10/1/18 - 9/30/19 (E20192350-003)					
Maternal, Infant and Early Childhood Home Visiting Grant	93.500				
Project 6/1/19 - 9/30/19 (E20193430-00)			178,000	-	178,000
Total Passed Through Michigan Department of Health and Human Services	93.870				
			<u>200,000</u>	<u>-</u>	<u>200,000</u>
93.600					
\$ 809,798	\$ -	\$ 202,113	<u>378,000</u>	<u>-</u>	<u>378,000</u>

See accompanying notes to schedule of expenditures of federal awards

# STARFISH FAMILY SERVICES, INC.

(A Nonprofit Organization)

## STARFISH FAMILY SERVICES, INC.

(A Nonprofit Organization)

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2019

Federal Agency/Pass-Through Agency Program Title	Federal CFDA Number	Award Amount	Passed Through to Subrecipients	Federal Expenditures
<b><u>U.S. Department of Health and Human Services (Continued)</u></b>				
Passed Through the University of Michigan (Med Match)				
Medical Assistance Program	93.778			
Implementation of a Parenting Program for Medicaid Eligible Fathers In Wayne Co., MI				
Project 10/1/18 - 9/30/19 (3005428774)		\$ 75,000	\$ -	75,000
Integrated Infant Mental Health Program				
Project 10/1/18 - 9/30/19 (3005430991)		159,320	-	159,320
Total Passed Through the University of Michigan (Med Match)		234,320	-	234,320
Passed Through the Detroit-Wayne Mental Health Authority				
Block Grants for Community Mental Health Services (SKIPP)	93.958			
Project 10/1/18 - 9/30/19 (PO21500107)		85,800	-	85,800
Medical Assistance Program	93.778			
Child Collaborative Care Program (MC3 Program)				
Project 10/1/18 - 9/30/19				
(PO21800223)				
67,035 -	67,035	152,835	-	152,835
Total Passed Through the Detroit-Wayne Mental Health Authority		51,693,142	10,767,352	24,365,282
Total U.S. Department of Health and Human Services				

### **U.S. Department of Agriculture**

Passed Through the Michigan Department of Education

Child and Adult Care Food Program

10.558

Total Expenditures of Federal Awards

\$ 52,174,041\$ 10,767,352\$ 24,846,181

See accompanying notes to schedule of expenditures of federal awards

**STARFISH FAMILY SERVICES, INC.**  
**(A Nonprofit Organization)**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS SEPTEMBER  
30, 2019**

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**Note A - Summary of Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Starfish Family Services, Inc. (a Nonprofit Organization) under programs of the federal government for the year ended September 30, 2019. The information in the 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). Because the Schedule presents only a selected portion of the operations of Starfish Family Services, Inc. (a Nonprofit Organization), it is not intended to and does not present the financial position, changes in net assets, or cash flows of Starfish Family Services, Inc. (a Nonprofit Organization).

## **Note B - Basis of Accounting**

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Starfish Family Services, Inc. (a Nonprofit Organization) has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

## **Note C - Major Programs**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**\*\*\* End of Notes \*\*\***



Strengthening families to create brighter futures for children



