

IC: FEED THE CHILDREN
Jennings, Louisiana

FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2021

IC: FEED THE CHILDREN

Jennings, Louisiana

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INDEPENDENT AUDITORS' REPORT

Board of Directors
IC: Feed the Children
Jennings, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of IC: Feed the Children (the Organization), (a nonprofit organization) which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, 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

My responsibility is to express opinions on these financial statements based on my audit. I have conducted my 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 I 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 auditors' 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 Organization's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IC: Feed the Children as of September 30, 2021, 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.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my 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*, I have also issued my report dated May 20, 2022, on my consideration of the Organization's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Organization's internal control over financial reporting and compliance.

Lenora Krielow, CPA LLC

Lake Charles, Louisiana
May 20, 2022

FINANCIAL STATEMENTS

IC: FEED THE CHILDREN
Jennings, Louisiana

STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021

ASSETS

Current assets		
Cash and cash equivalents	\$	3,407
Due from Department of Education		37,630
Prepaid expenses		-
Total current assets	\$	41,037

LIABILITIES AND NET ASSETS

Current liabilities		
Due to providers	\$	24,730
Withholding taxes payable		1,208
Other payables		26,431
Total current liabilities		<u>52,369</u>
Net assets		
Without donor restrictions		<u>(11,332)</u>
Total net assets		<u>(11,332)</u>
Total liabilities and net assets	\$	41,037

The accompanying notes are an integral part of this statement

IC: FEED THE CHILDREN

Jennings, Louisiana

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains and Other Support			
Reimbursements:			
Administrative	\$ 90,147	\$ -	\$ 90,147
Program	-	372,665	372,665
Other Income	929	-	929
Net assts released from restrictions - Restrictions satisfied by payments	<u>372,665</u>	<u>(372,665)</u>	<u>-</u>
 Total revenues, gains and other support	<u>463,741</u>	<u>-</u>	<u>463,741</u>
 Expenses			
Program Services	407,965	-	407,965
Supporting services:			
Management and general	<u>73,402</u>	<u>-</u>	<u>73,402</u>
Total expenses	<u>481,367</u>	<u>-</u>	<u>481,367</u>
 Change in net assets	(17,626)	-	(17,626)
 Net assets			
Beginning of year	<u>6,294</u>	<u>-</u>	<u>6,294</u>
 End of year	<u>\$ (11,332)</u>	<u>\$ -</u>	<u>\$ (11,332)</u>

The accompanying notes are an integral part of this statement

IC: FEED THE CHILDREN
Jennings, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Insurance	\$ -	\$ 1,028	\$ 1,028
Office rent	-	6,000	6,000
Office and supplies	-	1,049	1,049
Postage and printing	-	2,311	2,311
Professional fees	-	9,761	9,761
Provider payments	372,665	-	372,665
Salaries and benefits	27,989	52,323	80,312
Telephone	-	930	930
Training / conferences	-	-	-
Travel and mileage	7,311	-	7,311
Total expenditures	<u>\$ 407,965</u>	<u>\$ 73,402</u>	<u>\$ 481,367</u>

The accompanying notes are an integral part of this statement

IC: FEED THE CHILDREN
Jennings, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	<u>\$ (17,626)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities	
(Increase) Decrease in prepaid expenses	661
(Increase) Decrease in due from department of education	(2,526)
Increase (Decrease) in payroll related liabilities	(5,287)
Increase (Decrease) in due to providers	(3,550)
Increase (Decrease) in other liabilities	<u>18,505</u>
Net cash provided by operating activities	<u>7,803</u>
Net increase (decrease) in cash and cash equivalents	(9,823)
Cash and cash equivalents, beginning of year	<u>13,230</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,407</u></u>

The accompanying notes are an integral part of this statement

IC: FEED THE CHILDREN
Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Summary of Significant Accounting Policies

Nature of Activities

IC: Feed the Children (hereafter referred to as the Organization) operates a Family Day Care Home Program under the Child and Adult Care Food Program, Section 17 of the Richard B. Russell National School Lunch Act. Under the provisions of this program, individuals who care for a small number of children in their homes are reimbursed for the costs of meals served to the children. The Organization monitors the composition of the meals to assure nutritional values, makes routine inspections of the homes to ensure the safety of the children who stay there, and acts as an intermediary between the state and federal agencies who administer funds and the providers who care for the children. This program is funded totally by federal funds received from the State of Louisiana Department of Education and is the primary source of the Organization's revenues.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined, by the Internal Revenue Service, not to be a private foundation within the meaning of Section 509(a) of the code. The Organization received its latest determination letter on March 26, 1999, in which the Internal Revenue Service stated that the Organization was in compliance with the applicable requirements of the Internal Revenue Code (IRC). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Financial Statement Presentation

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organizations' management and board of directors.

IC: FEED THE CHILDREN

Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

Financial Statement Presentation (continued)

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met, either (1) by incurring expenses satisfying the restricted purpose (purpose restricted), and/or passage of time or other events (time-restricted), or (2) will never expire (perpetual in nature). When the restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

ASC section 820 *Fair Value Measurements and Disclosures* and ASC section 825 *Financial Instruments* require all entities to disclose the fair value of financial instruments for which it is practicable to estimate fair value. The carrying amount of cash and cash equivalents and accrued receivables approximates fair value because of the short maturity of these financial instruments.

Prepaid expenses

Expenditures not yet recorded as an expense but have been paid in advance are considered prepaid expenses. In other words, prepaid expenses are expenditures paid for in one accounting period but not recognized until a later accounting period. Prepaid expenses are initially recorded as assets because they have future economic benefits and are expensed at the time when the benefits are realized (the matching principle).

Receivables

Accounts receivable are stated at unpaid balances. The Organization maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers/vendors to make required payments. Because the collection is expected at 100%, an allowance for doubtful accounts has not been recorded.

Revenue and Expense Recognition

Program reimbursements and grants are recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

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Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

Donated Services and Materials

The Organization recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated materials are valued at the current market value at the time of the donation. Donated services and materials were considered to be immaterial.

Property and Equipment

Property and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. The Organization maintains a threshold level of \$500 or more for capitalizing capital assets. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Furniture and equipment	5 - 7 years
Building and improvements	15 - 20 years

Inventory

Inventory is stated at cost. It includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and inventory on hand at year-end is not reported on the accompanying financial statements.

Support and Expenses

The Organization reports administrative and program reimbursements on the accrual basis of accounting. The amounts due to providers are also reported on the accrual basis of accounting. A donor-restriction applies to the program reimbursement, and the amount is shown as temporarily restricted net assets. When the donor restriction expires, that is, when the stipulated restriction ends by payments to the providers, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

Expenses are summarized and categorized based on their function classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation based on the time used for those functions.

Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense was \$0.

IC: FEED THE CHILDREN

Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid interest-bearing deposits with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of Demand Deposits. Of the demand deposits amounts, \$497 is maintained in the administrative and provider accounts to be utilized for the family day care home program. The remaining funds of \$2,910 are held by the General Fund and can be utilized at the discretion of management.

NOTE 3: Liquidity and Availability of Resources

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

<u>Purpose</u>	Amount
Cash and cash equivalents	\$ 3,407
Due from Department of Education	<u>37,630</u>
Total	<u>\$ 41,037</u>

This amount is considered available to meet the needs of general expenditures within one year. The Organization receives the majority of its revenue from state and federal government grant programs, and these grants are appropriated each year. The Organization manages its liquidity by regularly monitoring the availability of resources required to meet its operating needs and other contractual commitments. And by operating within a prudent range of financial soundness and stability while maintaining sufficient reserves to provide reasonable assurance that commitments will continue to be met.

NOTE 4: Concentration of Credit Risk

The Organization's cash is deposited in one financial institution. The Organization has concentrated credit risk for cash by maintaining deposits in one bank. At September 30, 2021, there were no deposits in excess of the FDIC insurance of up to \$250,000. The Organization's cash balance did not exceed this limit and therefore was not subject to credit risk. The Organization does not have a credit risk policy.

NOTE 5: Receivables

Receivables are stated at the amount the Organization expects to collect. Management considers all receivables to be collectible at September 30, 2021. Receivables at year-end consist of the following:

Due from Department of Education	<u>\$ 37,630</u>
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IC: FEED THE CHILDREN

Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: Donor Restriction of Net Assets

Substantially all of the donor restrictions on net assets relate to amounts requested from the State of Louisiana, Department of Education for reimbursements to the providers of meals through the Family Day Care Home Program of the U.S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226. The amount due to providers requested but not yet received at year-end has been accrued in the accompanying financial statements and is listed in the note above.

NOTE 7: Net assets released from restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose during the year as follows:

Purpose restriction accomplished:

Meals provided	<u>\$ 372,665</u>
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NOTE 8: Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial. Also, a liability for findings and questioned costs is not established until final disposition of such matters by the funding agency.

NOTE 9: Risk Management

The Organization is exposed to risks of loss in the areas of general liability. These risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements did not exceed insurance coverage.

NOTE 10: Contracts

On September 1, 2020, the Organization entered into an agreement with Buller CPA Services, LLC, whereas the independent CPA firm would provide bookkeeping and payroll services to the Organization. The term is one year and expires on August 31, 2022. During the current year, the Organization paid \$3,511. The future minimum payment required for 2022 is \$3,663.

NOTE 11: Litigation

There is no pending or threatened litigation, claims, or assessments required to be accrued or disclosed in this financial report.

IC: FEED THE CHILDREN

Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12: Concentrations

The Organization received substantially all of its total revenue from the Department of Education, State of Louisiana through the U.S. Department of Agriculture Food and Nutrition Services, Family Day Care Home Program, under 7 CFR Part 226. The Organization does not expect that the support from this governmental agency will be lost in the near-term; however, a change in this funding could substantially affect the operations of the Organization.

NOTE 13: Non-Cancelable Operating Lease

The Organization is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, the results of these agreements are not reflected in property and equipment. The Organization is leasing a copier under a five-year noncancelable lease, expiring January 2023. Rental expense portion for the copier amounted to \$1,534.

The following is a schedule of future minimum rental payments required under the above operating leases:

<u>Fiscal Year</u> <u>Ending</u>	<u>Amount</u>
2022	\$ 1,534
2023	128
2024	-
Total minimum payments required	<u>\$ 1,662</u>

NOTE 14: Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-2, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842), Targeted Improvements*, to simplify the lease standard's implementation. The amended guidance relieves businesses and other organizations of the requirements to present prior comparative years' results when they adopt the new lease standard. Instead of recasting prior year results using the new accounting when they adopt the guidance, companies can choose to recognize the cumulative effect of applying the new standard to leased assets and liabilities as an adjustment to the opening balance of retained earnings. On June 3, 2020, the FASB deferred the effect date of this standard for certain entities. This standard will be effective for the Organizations' fiscal year ending September 30, 2023. The Organization is currently assessing the impact of this pronouncement on its financial statements.

IC: FEED THE CHILDREN

Jennings, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15: Other Payables

The following is a summary of other payables as of September 30, 2021:

Due to Department of Education	\$ 15,317
Reimbursement due to employee	745
Vendor	4,150
Accrued salaries	<u>6,219</u>
Total other payables	<u>\$ 26,431</u>

During the year, the Department of Education has advanced the Organization funds and therefore required reimbursement.

NOTE 16: Subsequent Events

Management has evaluated subsequent events through May 20, 2022, the date that the financial statements were available to be issued and determined that no significant events have occurred requiring disclosures.

NOTE 17: COVID -19 PANDEMIC

In December 2019, a novel strain of coronavirus (COVID 19) was reported to have surfaced in China. The World Health Organization has characterized COVID-10 as a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-10 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Organization's donors, employees, contract workers, and vendors, all of which are uncertain and cannot be predicted.

SUPPLEMENTAL INFORMATION

IC: FEED THE CHILDREN

Jennings, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Agency Head Name: Karen LaBowe, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 44,699
Benefits - insurance	-
Benefits - retirement	3,419
Benefits	-
Car Allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Registration fees	-
Conference travel	-
Continuing Professional Education	-
Housing	-
Special meals	-
Fiscal Year End - Total	<u>\$ 48,118</u>

OTHER REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



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*

Board of Directors
IC: Feed the Children
Jennings, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of American 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 IC: Feed the Children (a nonprofit organization) (the Organization), which comprise the statement of financial position as of September 30, 2021, 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 my report thereon dated May 20, 2022.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Organization's internal control over financial reporting (internal control) as the basis for designing the audit procedures that are appropriate for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal controls.

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 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

My 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Organization's financial statements are free of material misstatement, I 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. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as item 2021-01(C).

IC: Feed the Children's Response to Findings

The Organization's response to the findings identified in my audit is described in the accompanying Schedule of Findings and Responses. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Lenora Krielow, CPA, LLC

Lake Charles, Louisiana

May 20, 2022

IC: FEED THE CHILDREN

Jennings, Louisiana

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

SECTION I - SUMMARY OF AUDITOR'S FINDING AND RESPONSES

FINANCIAL STATEMENTS

1. Type of auditor's report issued
The auditor's report expresses an **unmodified opinion** on the financial statements of the IC: Feed the Children's financial statements as of and for the year ended September 20, 2021.
2. Internal control over financial reporting
 1. Material weaknesses identified? **NO**
 2. Significant Deficiencies identified? **NO**
3. Noncompliance material to financial statements noted? **YES**

FEDERAL AWARDS

Not Applicable

MANAGEMENT LETTER

No management letter was issued in connection with the audit for the year ended September 30, 2021.

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS

CURRENT YEAR FINDINGS

2021-01 (C) – Compliance: Timely Submission of Report

Criteria:

Louisiana Revised Statute 24:513 requires the Organization's audited financial statements to be submitted to the Louisiana Legislative Auditor no later than six months after the auditee's fiscal year-end.

Condition

The September 30, 2021 audited financial statements were submitted to the Louisiana Legislative Auditor after the March 31, 2022 due date.

Cause

The Organization did not engage their auditor in a timely manner.

Effect

The Organization was not in compliance with Louisiana R.S. 24:513.

Management Recommendation

An auditor needs to be engaged prior to the Organizations year end.

Management Response:

The Organization will monitor filing deadlines and comply with filing requirements, thereby engaging the auditor before year end.

IC: FEED THE CHILDREN

Jennings, Louisiana

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

SECTION II – FINDINGS RELATING TO FINANCIAL REPORTING (continued)

PRIOR YEAR FINDINGS

2020-01 (IC) (C) – Timely remittance of payroll tax funds

Criteria:

Internal Revenue Code (IRC) 6656 provides for the failure to deposit penalty if the taxpayer does not deposit tax in the correct amount, within the prescribed time period, and/or in the required manner per IRC 6302. The Louisiana Revised Statute 47:1602 also imposes delinquent filing and payment penalties for failure to deposit by the required due date.

Condition:

The Organization has failed to make timely payroll tax deposits.

Cause:

The Independent CPA firm's bookkeeper, while on medical leave, left a replacement with inadequate knowledge of the Organization's specific depositing schedule. Thereby not making deposits timely and causing taxes to become unpaid and past due.

Effect:

The Organization is risking penalties and interest for unpaid taxes along with the possibility of a levy.

Recommendation:

Management must adhere to their duty of timely deposits.

Management's Response:

Management agrees with the finding and will address the CPA firm to enhance its bookkeeping oversight. Management will take steps to eliminate the underpayment and ensure future compliance.

SECTION III – FINDINGS AND QUESTIONED COST RELATED TO FEDERAL PROGRAMS

As September 30, 2021, IC: Feed the Children did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore, this section is not applicable.