

FLORIDA TLC CHILD CARE INC.  
FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2019

*Minda B. Raybourn*

*Certified Public Accountant*

*Limited Liability Company*

820 11<sup>th</sup> Avenue  
Franklinton, Louisiana 70438  
(985) 839-4413  
Fax (985) 839-4402

[wrcpa@huntbrothers.com](mailto:wrcpa@huntbrothers.com)

**FLORIDA TLC CHILD CARE INC.**  
**FINANCIAL STATEMENTS**  
**WITH SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2019**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Florida TLC Child Care Inc.  
PO Box 477  
Franklinton, LA 70438

### **Report on the Financial Statements**

I have audited the accompanying financial statements of Florida TLC Child Care 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.

### ***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.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida TLC Child Care Inc. as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

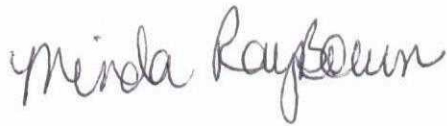
#### ***Other Information***

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The information in the audited statement of claims and schedule of meals served and program reimbursements as required by the Louisiana Department of Education and the schedule of compensation, benefits, and other payments to the agency head are also presented for the purpose of additional analysis and are not part of the required 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 Standard***

In accordance with *Government Auditing Standards*, we have also issued my report dated March 15, 2020, on my consideration of Florida TLC Child Care Inc.'s internal control over financial

reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Florida TLC Child Care Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Linda Rayburn". The signature is written in dark ink and is positioned above the typed name and date.

Franklinton, LA  
March 15, 2020

# FINANCIAL STATEMENTS

**FLORIDA TLC CHILD CARE INC**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2019**

ASSETS	<u>Administrative</u>	<u>General</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 21,745	\$ 5,070	\$ 26,816
Due from Department of Education	66,058	-	66,058
Due from Administrative Fund	-	9,534	9,534
Total Current Assets	<u>87,803</u>	<u>14,604</u>	<u>102,407</u>
Capital Assets			
Office Equipment	2,496	-	2,496
Accumulated Depreciation	<u>1,151</u>	<u>-</u>	<u>1,151</u>
Net Capital Assets	<u>1,345</u>	<u>-</u>	<u>1,345</u>
 TOTAL ASSETS	 <u>89,148</u>	 <u>14,604</u>	 <u>103,752</u>
 LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	1,680	-	1,680
Due to providers	53,870	-	53,870
Withholding taxes payable	2,742	-	2,742
Accrued salaries payable	8,948	-	8,948
Due to director	1,052	-	1,052
Due to General Fund	<u>9,534</u>	<u>-</u>	<u>9,534</u>
Total Current Liabilities/Total Liabilities	<u>77,825</u>	<u>-</u>	<u>77,825</u>
Net Assets (Deficit)			
With donor restrictions	-	-	-
Without donor restrictions	<u>11,323</u>	<u>14,604</u>	<u>25,927</u>
Total Net Assets (Deficit)	<u>11,323</u>	<u>14,604</u>	<u>25,927</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 89,148</u>	<u>\$ 14,604</u>	<u>\$ 103,752</u>

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

**FLORIDA TLC CHILD CARE INC**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
UNRESTRICTED NET ASSETS			
SUPPORT AND OTHER GAINS			
Administrative reimbursement	\$ -	\$ 147,628	\$ 147,628
Provider reimbursement	-	721,269	721,269
Fundraising and other contributions	2,435	-	2,435
Net assets released from restrictions	868,897	(868,897)	-
Total support and other gains	<u>871,332</u>	<u>-</u>	<u>871,332</u>
EXPENSES			
Program services	721,269	-	721,269
Supporting services	146,257	-	146,257
Fundraising and other expenses	744	-	744
Total expenses	<u>868,270</u>	<u>-</u>	<u>868,270</u>
CHANGE IN NET ASSETS	3,061	-	3,061
NET ASSETS (DEFICIT), BEGINNING	<u>22,866</u>	<u>-</u>	<u>22,866</u>
NET ASSETS (DEFICIT), ENDING	<u>\$ 25,927</u>	<u>\$ -</u>	<u>\$ 25,927</u>

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



**FLORIDA TLC CHILD CARE INC**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from administrative reimbursements	\$ 784,021
Cash received from program reimbursements	160,110
Cash received from fundraising efforts & other	2,435
Cash paid for program expenses	(783,621)
Cash paid to or on behalf of employees for services	(91,040)
Cash paid to suppliers for goods and services	<u>(55,305)</u>
Net cash used for operating services	<u>16,600</u>

CASH FLOWS FROM INVESTING ACTIVITIES

-

CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES

Acquisition of capital assets	<u>-</u>
Net cash used for capital and related financing activities	<u>-</u>

CASH AND CASH EQUIVALENTS, BEGINNING

10,216

CASH AND CASH EQUIVALENTS, ENDING

\$ 26,816

RECONCILIATION OF CHANGE IN NET ASSETS TO  
NET CASH USED FOR OPERATING ACTIVITIES

\$ 3,061

Adjustments to reconcile change in net assets to net  
cash used for operating activities

Depreciation	170
(Increase) decrease in assets:	
Due from Department of Education	75,235
Increase (decrease) in liabilities:	
Accounts payable	(710)
Due to providers	(62,753)
Withholding taxes payable	106
Accrued salaries payable	1,491

NET CASH PROVIDED (USED) FOR OPEARTING ACTIVITIES

\$ 16,600

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

**FLORIDA TLC CHILD CARE INC**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**ADMINISTRATIVE FUND**  
**YEAR ENDED SEPTEMBER 30, 2019**

<u>ACCOUNT</u>	<u>PROGRAM</u>	<u>SUPPORTING</u>	<u>GENERAL</u>
Auditor	\$ -	3,100	-
Depreciation	-	170	-
Insurance	-	323	-
Fundraising expense	-	-	234
Janitorial	-	1,600	-
Janitorial supplies	-	217	-
Minute Menu Renewal	-	600	-
Minute Menu Expenses	-	443	-
Office expenses	-	10,173	105
Postage	-	1,073	-
Accounting	-	4,546	405
Provider payments/support	721,269	-	-
Professional Development	-	650	-
Office lease	-	6,000	-
Repairs and maintenance	-	841	-
Salaries	-	91,040	-
Payroll taxes	-	8,474	-
Telephone	-	7,409	-
Provider training	-	-	-
Travel	-	8,492	-
Utilities	-	1,106	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 721,269</b>	<b>\$ 146,257</b>	<b>\$ 744</b>

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

## **NOTES TO FINANCIAL STATEMENTS**

**FLORIDA TLC CHILD CARE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Family Day Care Home Program of Florida TLC Child Care Inc. (hereafter referred to as the Organization) was established to provide supervised provisions of meals. It serves an average of 121u homes per month to primarily low-income, disabled, elderly or other disadvantaged residents of Washington and surrounding parishes. It engages in the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226.

It operates on a fiscal year ending on September 30<sup>th</sup> and its significant accounting policies are as follows:

**Basis of presentation**

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**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 Organization's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Measure of operations**

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash and demand deposits. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Receivables**

Accounts receivable are stated at net realizable value. 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.

**FLORIDA TLC CHILD CARE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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 the inventory on hand at year-end is not reported in the accompanying financial statements.

**Property and Equipment**

Property and equipment purchased by the Organization are recorded at cost. They are depreciated using the straight-line method over the estimated useful lives of the assets. Equipment with an original cost of \$5,000 or greater is generally capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

**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 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. Donor restricted reimbursements whose restrictions are met in the same reporting period are reported as unrestricted support.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Advertising costs are expensed as incurred.

**Use of Estimates**

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

**New Accounting Pronouncement**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

**Income Taxes**

The Organization is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The federal income tax returns of the company for fiscal years 2016, 2017, 2018 and 2019 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

**FLORIDA TLC CHILD CARE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 2-AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets at September 30, 2019:

Financial assets at year end:	
Cash and cash equivalents	\$ 26,816
Accounts receivable	<u>66,058</u>
Total financial assets available for use over the next 12 months	<u>\$ 92,873</u>

The Organization's goal is to maintain financial assets to meet 3 months of operating expenses. As part of its liquidity plan, cash is held in checking accounts.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

Demand deposits	\$26,81626,816
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Of this amount, \$21,745 is maintained in the administrative and provider accounts to be utilized for the family day care home program. The remaining funds of \$5,070 are held by the General Fund and can be utilized at the discretion of management.

**NOTE 4 - RECEIVABLES**

Receivables are stated at the amount the Organization expects to collect. Management considers all receivables to be collectible on September 30, 2019.

Receivables at year-end consist of the following:

Due from Department of Education	\$66,058
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**FLORIDA TLC CHILD CARE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 5 - CAPITAL ASSETS**

Capital assets consist of the following:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, being depreciated				
Equipment	2,496	-		2,496
Less accumulated depreciation	(981)	(170)		(1,151)
Equipment, Net	1,515	(170)	-	1,345

There were no new additions during the fiscal year. Depreciation expense for the year totaled \$170.

**NOTE 6 - ACCOUNTS AND OTHER PAYABLES**

Payables at year-end include the following:

Accounts payable	1,680
Payables to providers	53,870
Withholding taxes payable	2,742
Accrued salaries	8,948
Due to director	1,052
Total	68,291

**NOTE 7 - RESTRICTIONS ON NET ASSETS**

Substantially all of the restrictions on net assets relate to amounts requested from the State of Louisiana, Department of Education for reimbursement 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 8 - 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	\$721,269

**FLORIDA TLC CHILD CARE INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 9 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the program and supporting services have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated between the program and support services.

**NOTE 10 - CONCENTRATIONS**

*Cash and Cash Equivalents.* Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. On September 30, 2019, the Organization did not have bank balances in excess of FDIC insured limits.

*Receivables and Revenues.* All receivables recorded are due from the Louisiana Department of Education, Division of Nutrition Assistance. Approximately 99% of the Organization's support is paid by 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.

**NOTE 11 - LITIGATION**

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

**NOTE 12- SUBSEQUENT EVENTS**

There were no subsequent events between the close of the fiscal year and March 15, 2020, the date on which the financial statements were available to be issued, that would materially impact the accompanying financial statements.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**FLORIDA TLC CHILD CARE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b>Major Programs</b>		
US Department of Agriculture		
Food and Nutrition Services		
Child and Adult Day Care Food Program	10.558	
<b>Family Day Care Home Program</b>		
Pass Through		
State of Louisiana, Department of Education		
Division of Nutrition		
	Program services: meals/snacks	\$ 721,269
	Supporting services	<u>146,257</u>
	Total federal award expenditures	<u>\$ 867,526</u>

**Notes to Schedule of Expenditures of Federal Awards**  
**Year ended September 30, 2019**

*Basis of Presentation*

This schedule of expenditures of federal awards includes the federal grant activity of the Family Day Care Home Program and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the basic financial statements.

*Indirect Cost Rate*

Florida TLC Child Care, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

*Subrecipients*

There was no awards passed through to sub-receipients.

See Independent Auditor's Report.

**FLORIDA TLC CHILD CARE, INC.  
SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**Agency Head**

Tamela Jenkins  
Executive Director

**Purpose**

Salary	52,596
Benefits-FICA	4,024
Travel-provider	3,688

Total	<u>60,308</u>
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See Independent Auditor's Report

## **SUPPLEMENTARY INFORMATION**

# Minda B. Raybourn

*Certified Public Accountant*

*Limited Liability Company*

820 11<sup>th</sup> Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@huntbrothers.com

Member  
AICPA

Member  
LCPA

## 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 Trustees of  
Florida TLC Child Care Inc.  
PO Box 477  
Franklinton, LA 70438

I 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 Florida TLC Child Care Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated March 15, 2020.

### Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, we considered Florida TLC Child Care Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Florida TLC Child Care Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Florida TLC Child Care Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. Given these limitations, during our 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.

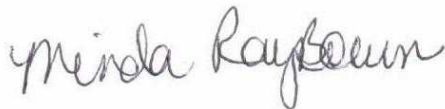
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Florida TLC Child Care Inc.'s 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 my audit, and accordingly, I 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.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor, and federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in dark ink, reading "Minda Raybourn". The signature is written in a cursive, flowing style.

Minda Raybourn CPA

Franklinton, LA

March 15, 2020

# *Minda B. Raybourn*

*Certified Public Accountant*

*Limited Liability Company*

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Franklinton, Louisiana 70438

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Fax (985) 839-4402

wrcpa@huntbrothers.com

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## **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 Trustees of  
Florida TLC Child Care Inc.

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

I have audited Florida TLC Child Care Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Florida TLC Child Care Inc.'s major federal programs for the year ended September 30, 2019. Florida TLC Child Care Inc.'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of Florida TLC Child Care Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 Florida TLC Child Care Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Florida TLC Child Care Inc.'s compliance.

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

In my opinion, Florida TLC Child Care Inc. 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.

### **Report on Internal Control Over Compliance**

Management of Florida TLC Child Care Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Florida TLC Child Care Inc.'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Florida TLC Child Care Inc.'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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I 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 my 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.

A handwritten signature in cursive script that reads "Minda Raybourn". The signature is written in dark ink on a light background.

Minda Raybourn, CPA

Franklinton, LA

March 15, 2020

*Minda B. Raybourn*

*Certified Public Accountant*

*Limited Liability Company*

820 11<sup>th</sup> Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@huntbrothers.com


Member  
AICPA

Member  
LCPA

**INDEPENDENT AUDITOR'S REPORT ON CLAIMS FOR REIMBURSEMENT**

To the Board of Trustees of  
Florida TLC Child Care Inc.

I have examined the accompanying claims for reimbursements (Audited Statements of Claims attached) submitted by the Family Day Care Home Program of Florida TLC Child Care Inc. under the FDCH program. My examination was made in accordance with auditing standards established by the American Institute of Certified Public Accountants and with generally accepted government auditing standards established by the Comptroller General of the United States and included tests of programs and accounting records prescribed by the USDAOIG guide for audits of this program. In my opinion, the aforementioned claims present fairly the number of meals or supplements eligible for reimbursement for the period October 1, 2018, through September 30, 2019.



Minda Raybourn, CPA

Franklinton, LA

March 15, 2020

**FLORIDA TLC CHILD CARE, INC.**  
**AUDITED STATEMENT OF CLAIMS**  
**YEAR ENDED SEPTEMBER 30, 2019**

REIMBURSEMENT PER AUDIT

Administrative	147,628
Program-meals	<u>721,269</u>
Total reimbursement per audit	<u><u>868,897</u></u>

REIMBURSEMENTS CLAIMED AND RECEIVED

Administrative	147,628
Program-meals	<u>721,269</u>
Total reimbursement claims and received	<u><u>868,897</u></u>

(OVER) UNDER CLAIM -

See independent auditor's report.

**FLORIDA TLC CHILD CARE, INC.**  
**SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2019**

MEALS SERVED	NUMBER SERVED BY MEAL TYPE				
	BREAKFAST	LUNCH	SUPPLEMENTS	SUPPER	TOTAL
From October 1, 2018 through June 30, 2019					
Tier 1	45,490	51,559	109,907	107,633	314,589
Reimbursement rate	1.31	2.46	0.73	2.46	
Total for period	59,592	126,835	80,232	264,777	531,436
From July 1, 2019 through September 30, 2019					
Tier 1	12,095	21,878	37,456	36,768	108,197
Reimbursement rate	1.33	2.49	0.74	2.49	
Total for period	16,086	54,476	27,717	91,552	189,832
TOTAL MEALS SERVED	57,585	73,437	147,363	144,401	422,786
NET REIMBURSEMENT	75,678	181,311	107,950	356,330	721,269

See independent auditor's report.

**FLORIDA TLC CHILD CARE INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2019**

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Florida TLC Child Care Inc. were prepared in accordance with generally accepted accounting principles.
2. No material weaknesses or significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Florida TLC Child Care Inc. were disclosed during the audit.
4. No significant deficiencies or material weaknesses were identified during the audit of the major federal award program.
5. The auditor's report on compliance for the United States Department of Agriculture Child and Adult Care Food Program (CACFP) expresses an unmodified opinion.
6. The program tested as a major program was the United States Department of Agriculture Child and Adult Care Food Program (CACFP) (CFDA 10.558).
7. The threshold for distinguishing Types A and B programs is as follows:  
  
Type A- \$750,000 or more of federal awards expended  
  
Type B- Any program that does not meet the threshold of Type A programs.
8. For the period ending September 30, 2019, Florida TLC Child Care Inc. was determined to be a low-risk auditee.

**FINDINGS-FINANCIAL STATEMENTS**

None

**FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM**

None

**MANAGEMENT LETTER**

None

**FLORIDA TLC CHILD CARE INC.  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2017**

**FINDINGS-FINANCIAL STATEMENTS**

None

**FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM**

None

**MANAGEMENT LETTER**

None

FLORIDA TLC CHILD CARE INC.  
INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
SEPTEMBER 30, 2019

*Minda B. Raybourn*

*Certified Public Accountant  
Limited Liability Company*

820 11<sup>th</sup> Avenue  
Franklinton, Louisiana 70438  
(985) 839-4413  
Fax (985) 839-4402

[wrcpa@huntbrothers.com](mailto:wrcpa@huntbrothers.com)

# *Minda B. Raybourn*

*Certified Public Accountant*

*Limited Liability Company*

820 11<sup>th</sup> Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@franklinton.net

Member

AICPA

Member

LCPA

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Florida TLC Child Care Inc.  
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Florida TLC Child Care Inc. (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2018 through September 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving



- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**The entity has policies and procedures with the exception of g) and i). The entity does not use credit cards, debit cards, P-cards, and fuel cards. The entity did not have disaster recovery/business continuity policies or procedures.**

***Response: We will put in place policies and procedures for disaster recovery/business continuity.***

#### ***Board or Finance Committee***

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**The board met with a quorum at its quarterly meetings.**

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities*

*reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

**Financial activity related to public funds were reflected in the minutes.**

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**The entity had a positive net asset ending balance.**

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

- 3. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**A listing of locations and management representation were obtained.**

- 4. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**The executive director can initiate a purchase, approve the purchase, and place the order.**

- b) At least two employees are involved in processing and approving payments to vendors.

**The executive director can process and approve payments.**

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**The accountant can add and modify vendor names to the general ledger.**

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Signed checks are maintained under the control of the director until they are mailed.**

- 5. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

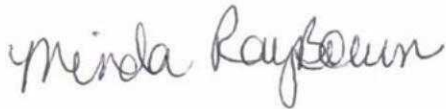
**No exceptions noted.**

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**No exceptions noted.**

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in cursive script that reads "Minda Raybourn".

Minda Raybourn CPA  
Franklinton, LA

March 15, 2020