

NUTRITION EDUCATION SERVICES, INC.  
FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2017

*Minda B. Raybourn*

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*Limited Liability Company*

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**FINANCIAL STATEMENTS**  
**WITH SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2017**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees

Nutrition Education Services, Inc.

PO Box 196

Tickfaw, LA 70466

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

I have audited the accompanying financial statements of Nutrition Education Services, Inc., (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, 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 Nutrition Education Services, Inc., as of September 30, 2017, 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 is also presented for purposes for additional analysis and is 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 January 13, 2018, on my consideration of Nutrition Education Services, 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 Nutrition Education Services, Inc.'s internal control over financial reporting and compliance.



Franklinton, LA  
February 25, 2018

# FINANCIAL STATEMENTS

**NUTRITION EDUCATION SERVICES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2017**

ASSETS	<u>Administrative</u>	<u>General</u>	<u>Eliminations</u>	<u>Total</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 28,306	\$ 29,539	\$ -	\$ 57,845
Due from Department of Education	139,626	-	-	139,626
Due from General Fund	8,361	-	(8,361)	-
Total Current Assets	<u>176,293</u>	<u>29,539</u>	<u>(8,361)</u>	<u>197,472</u>
<b>TOTAL ASSETS</b>	<u>176,293</u>	<u>29,539</u>	<u>(8,361)</u>	<u>197,472</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accounts payable	4,467	-	-	4,467
Due to providers	116,747	-	-	116,747
Withholding taxes payable	5,382	-	-	5,382
Accrued salaries payable	-	-	-	-
Due to Administrative Fund	-	8,361	(8,361)	-
Total Current Liabilities/Total Liabilities	<u>126,595</u>	<u>8,361</u>	<u>(8,361)</u>	<u>126,595</u>
<b>Net Assets (Deficit)</b>				
Unrestricted	<u>49,698</u>	<u>21,179</u>	<u>-</u>	<u>70,876</u>
Total Net Assets (Deficit)	<u>49,698</u>	<u>21,179</u>	<u>-</u>	<u>70,876</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 176,293</u>	<u>\$ 29,539</u>	<u>\$ (8,361)</u>	<u>\$ 197,472</u>

See accompanying independent auditor's report and notes to the financial statements.

**NUTRITION EDUCATION SERVICES, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2017**

UNRESTRICTED NET ASSETS	<u>Administrative</u>	<u>General</u>	<u>Total</u>
SUPPORT AND OTHER GAINS			
Administrative reimbursement	\$ 294,357	\$ -	\$ 294,357
Other income	-	-	-
Fundraising and other contributions	-	15,113	15,113
Total support and other gains	<u>294,357</u>	<u>15,113</u>	<u>309,470</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by payments	<u>1,527,066</u>	<u>-</u>	<u>1,527,066</u>
total support, other gains, and reclassifications	<u>1,821,423</u>	<u>15,113</u>	<u>1,836,536</u>
EXPENSES			
Program services	1,533,026	-	1,533,026
Supporting services	272,788	14,532	287,320
Fundraising expenses	-	900	900
Total expenses	<u>1,805,814</u>	<u>15,432</u>	<u>1,821,247</u>
Increase (decrease) in unrestricted net assets	<u>15,609</u>	<u>(319)</u>	<u>15,290</u>
TEMPORARILY RESTRICTED NET ASSETS			
Support from meal reimbursements			-
Net assets released from restrictions:	1,527,066	-	1,527,066
Restrictions satisfied by payments	<u>(1,527,066)</u>	<u>-</u>	<u>(1,527,066)</u>
Increase in temporarily restricted net assets	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	15,609	(319)	15,290
NET ASSETS (DEFICIT), BEGINNING	<u>34,089</u>	<u>21,498</u>	<u>55,587</u>
NET ASSETS (DEFICIT), ENDING	<u>\$ 49,698</u>	<u>\$ 21,179</u>	<u>\$ 70,877</u>

See accompanying independent auditor's report and notes to the financial statements.

**NUTRITION EDUCATION SERVICES, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from administrative reimbursements	\$ 293,891
Cash received from program reimbursements	1,528,046
Cash received from fundraising efforts & other	15,113
Cash paid for program expenses	(1,511,973)
Cash paid to or on behalf of employees for services	(224,821)
Cash paid to suppliers for goods and services	<u>(85,521)</u>
Net cash used for operating services	<u>14,735</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
CASH AND CASH EQUIVALENTS, BEGINNING	43,110
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 57,845</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED FOR OPERATING ACTIVITIES	\$ 15,290
Adjustments to reconcile change in net assets to net cash used for operating activities	
(Increase) decrease in assets:	
Due from Department of Education	3,006
Increase (decrease) in liabilities:	
Accounts payable	(854)
Due to providers	(1,826)
Withholding taxes payable	(880)
NET CASH PROVIDED (USED) FOR OPEARATING ACTIVITIES	<u>\$ 14,735</u>

See accompanying independent auditor's report and notes to the financial statements.

**NUTRITION EDUCATION SERVICES, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**ADMINISTRATIVE FUND**  
**YEAR ENDED SEPTEMBER 30, 2017**

<u>ACCOUNT</u>	<u>PROGRAM</u>	<u>SUPPORTING</u>	<u>GENERAL</u>
Accounting	\$ -	\$ 2,880	\$ 100
Advertising	-	435	750
Contract interpretation	-	2,760	-
Equipment rental	-	1,359	289
Insurance	-	1,200	1,070
Fire inspection	-	-	9,785
Fundraising expenses	-	-	900
Workman's compensation	-	1,219	-
Auditor	-	3,800	-
Minute Menu	4,980	-	-
Office and lawn maintenance	-	2,400	-
Office expenses	-	7,061	1,154
Other	-	1,427	1,284
Postage	-	3,998	-
Dues	-	400	-
Provider payments/support	1,528,046	-	-
Salaries	-	204,080	-
Payroll taxes	-	15,675	-
Employee benefits	-	5,066	-
Telephone	-	2,766	-
Staff training	-	215	-
Provider training	-	2,059	100
Travel	-	10,336	-
Utilities	-	3,651	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,533,026</b>	<b>\$ 272,788</b>	<b>\$ 15,432</b>

See accompanying independent auditor's report and notes to the financial statements.

# **NOTES TO FINANCIAL STATEMENTS**

**NUTRITION EDUCATION SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

**Nature of Activities**

The Family Day Care Home Program of Nutrition Education Services, Inc., (hereafter referred to as the Organization) was established to provide supervised provisions of meals. It serves an average of 288 homes per month to primarily low-income, disabled, elderly or other disadvantaged residents of Livingston 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:

**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.

**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 \$500 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 end 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

**NUTRITION EDUCATION SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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. There was \$1,185 in advertising expenses paid during the year.

**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.

**Financial Statement Presentation**

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117 "*Financial Statement of Not-For-Profit Organization*." Under SFAS No. 117, the Organization is required to report information regarding its net assets and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

**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 2014, 2015, 2016 and 2017 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

Demand deposits	\$ 57,845
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Of this amount, \$28,306 is maintained in the administrative and provider accounts to be utilized for the family day care home program. The remaining funds of \$29,539 are held by the General Fund and can be utilized at the discretion of management.

**NOTE 3 - RECEIVABLES**

Receivables are stated at the amount the Organization expects to collect. Management considers all receivables to be collectible at September 30, 2017.

Receivables at year-end consist of the following:

Due from Department of Education	\$ 139,626
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**NUTRITION EDUCATION SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**NOTE 5 - ACCOUNTS AND OTHER PAYABLES**

Payables at year-end include the following:

Accounts payable	4,467
Payables to providers	116,747
Withholding taxes payable	5,382
Total	<u><u>126,595</u></u>

**NOTE 6 - 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 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	\$1,527,066

**NOTE 8 - PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was made to increase the beginning net assets of the administrative fund for \$3,804. A prior period adjustment was made to reduce the beginning net assets of the general fund for \$3,736. The total net effect of the prior period adjustment was \$68.

**NUTRITION EDUCATION SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**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. At September 30, 2017, 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 February 25, 2018, the date on which the financial statements were available to be issued, that would materially impact the accompanying financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**NUTRITION EDUCATION SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2017**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
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**Major Programs**

US Department of Agriculture Food and Nutrition Services Child and Adult Day Care Food Program	10.558	
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**Family Day Care Home Program**

Pass Through  
State of Louisiana, Department of Education  
Division of Nutrition

Program services: meals/snacks	1,533,026
Supporting services	<u>272,788</u>
Total federal award expenditures	<u><u>\$1,805,814</u></u>

**Notes to Schedule of Expenditures of Federal Awards  
Year ended September 30, 2017**

**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**

Nutrition Education Services, 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-reipients.

See Independent Auditor's Report.

**NUTRITION EDUCATION SERVICES, INC.  
SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD  
YEAR ENDED SEPTEMBER 30, 2017**

AGENCY HEAD  
Nena Cittadno  
Executive Director

	Amount
Purpose	
Salary	67,491
Benefits-FICA	5,163
Travel-monitoring visits	1,138
Total	<u><u>73,793</u></u>

See Independent Auditor's Report.

# **SUPPLEMENTARY INFORMATION**

# *Minda B. Raybourn*

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**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  
Nutrition Education Services, Inc.

PO Box 196

Tickfaw, LA 70466

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 Nutrition Education Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, 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 February 25, 2018.

## **Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, we considered Nutrition Education Services, 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 Nutrition Education Services, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Nutrition Education Services, 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 Nutrition Education Services, 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.



Minda Raybourn CPA

Franklinton, LA

February 25, 2018

# *Minda B. Raybourn*

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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  
Nutrition Education Services, Inc.

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

I have audited Nutrition Education Services, 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 Nutrition Education Services, Inc.'s major federal programs for the year ended September 30, 2017. Nutrition Education Services, 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 Nutrition Education Services, 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 Nutrition Education Services, 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 Nutrition Education Services, Inc.'s compliance.

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

In my opinion, Nutrition Education Services, 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 Nutrition Education Services, 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 Nutrition Education Services, 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 Nutrition Education Services, 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".

Minda Raybourn, CPA

Franklinton, LA

February 25, 2018

**MINDA RAYBOURN CPA LLC  
820 11<sup>TH</sup> AVE  
FRANKLINTON, LA 70438**

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

To the Board of Trustees of  
Nutrition Education Services, Inc.

I have examined the accompanying claims for reimbursements (Audited Statements of Claims attached) submitted by the Family Day Care Home Program of Nutrition Education Services, 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, 2016, through September 30, 2017.



Minda Raybourn, CPA  
Franklinton, LA  
February 25, 2018

**NUTRITION EDUCATION SERVICES, INC.**  
**AUDITED STATEMENT OF CLAIMS**  
**YEAR ENDED SEPTEMBER 30, 2017**

REIMBURSEMENT PER AUDIT

Administrative	294,357
Program-meals	<u>1,527,066</u>
Total reimbursement per audit	<u><u>1,821,423</u></u>

REIMBURSEMENTS CLAIMED AND RECEIVED

Administrative	293,891
Program-meals	<u>1,528,046</u>
Total reimbursement claims and received	<u><u>1,821,937</u></u>

(OVER) UNDER CLAIM	<u><u>(514)</u></u>
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See independent auditor's report.

**NUTRITION EDUCATION SERVICES, INC.**  
**SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2017**

MEALS SERVED	NUMBER SERVED BY MEAL TYPE				
	BREAKFAST	LUNCH	SUPPLEMENTS	SUPPER	TOTAL
From October 1, 2016 through June 30, 2017					
Tier 1	101,917	132,560	229,978	201,391	665,846
Reimbursement rate	1.31	2.46	0.73	2.46	
Sub-total Tier 1	133,511	326,098	167,884	495,422	1,122,915
From October 1, 2016 through June 30, 2017					
Tier 2	190	508	515	322	1,535
Reimbursement rate	0.48	1.49	0.20	1.49	
Sub-total Tier 2	91	757	103	480	1,431
Total for period	133,602	326,855	167,987	495,902	1,124,346
From July 1, 2017 through September 30, 2017					
Tier 1	29,419	53,930	80,623	70,316	234,288
Reimbursement rate	1.31	2.46	0.73	2.46	
Total for period	38,539	132,668	58,855	172,977	403,039
From July 1, 2017 through September 30, 2017					
Tier 2	119	249	247	126	741
Reimbursement rate	0.48	1.48	0.20	1.48	
Sub-total Tier 2	57	369	49	186	662
Total for period	38,596	133,036	58,904	173,164	403,700
TOTAL MEALS SERVED	131,645	187,247	311,363	272,155	902,410
NET REIMBURSEMENT	172,198	459,891	226,891	669,065	1,528,046

See independent auditor's report.

**NUTRITION EDUCATION SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2017**

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Nutrition Education Services 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 Nutrition Education Services, 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 the distinguishing Types A and B programs are 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, 2017, Nutrition Education Services, 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

**NUTRITION EDUCATION SERVICES, INC.  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2016**

**FINDINGS-FINANCIAL STATEMENTS**

None

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

None

**MANAGEMENT LETTER**

None