

October 9, 2013

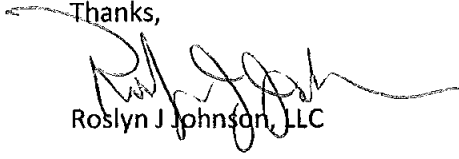
Engagement Division
Office of Legislative Auditor
P. O. Box 94397
Baton Rouge, La. 70804-9397

RE: Reissue of Van's Kiddie Care, Inc. September 30, 2012 Audit Report

I noted in my audit report for Van's Kiddie Care, Inc. September 30, 2012, that the Accounts Receivable Note on Page 10 included revenue amounts of \$3,097,432.62 and \$465,151.00 respectively. The correct amounts should have been \$254,500.95 and \$43,404.70. I am resubmitting the entire report to make the necessary changes to page 10, Note 4, "Accounts Receivable".

Also, I am in the process of redistributing the report to other recipients.

Thanks,


Roslyn J. Johnson, LLC

VAN'S KIDDIE CARE, INC.

FINANCIAL REPORT

SEPTEMBER 30, 2012

Roslyn J. Johnson, LLC
Certified Public Accountant

VAN'S KIDDIE CARE, INC.
New Iberia, Louisiana

TABLE OF CONTENTS

| | Statement | Page |
|---|------------------|-------------|
| Independent Auditor's Report | | 1 |
| Financial Statements: | | |
| Statement of Financial Position | A | 3 |
| Statement of Activities | B | 4 |
| Statement of Functional Expenses | C | 5 |
| Statement of Cash Flows | D | 6 |
| Notes to the Financial Statements | | 7 |
| Independent Auditor's Reports and Information Required by the Single Audit Act and <i>Government Auditing Standards</i> | | |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | | 13 |
| Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 | | 15 |
| Schedule of Expenditures of Federal Awards | | 17 |
| Notes to Schedule of Federal Awards | | 17 |
| Schedule of Findings and Questioned Costs: | | |
| Section I - Summary of Auditor's Results | | 18 |
| Section II - Financial Statement Findings | | 19 |
| Section III - Federal Award Finding | | 19 |
| Summary Schedule of Prior Audit Findings and Questioned Costs | | 20 |

VAN'S KIDDIE CARE
New Iberia, Louisiana

TABLE OF CONTENTS (Concluded)

| | Page |
|---|-------------|
| Supplementary Information Schedules | |
| Schedule 1 - Combining Schedule of Financial Position | 22 |
| Schedule 2 - Combining Schedule of Activities | 23 |
| Schedule 3 - Audited Claims | 24 |
| Schedule 4 - Administrative Reimbursement Allowable | 25 |
| Schedule 5 - Audited Monetary Claims and Questioned Costs | 26 |
| Schedule 6 - Meals Served and Program Reimbursements | 27 |

Independent Auditor's Report

**Board of Directors
Van's Kiddie Care, Inc.
New Iberia, Louisiana**

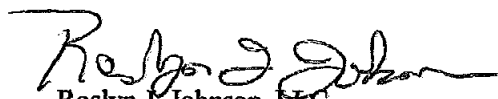
I have audited the accompanying statement of financial position of Van's Kiddie Care, Inc. (a nonprofit organization) as of September 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Van's Kiddie Care's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Van's Kiddie Care, Inc. as of September 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 31, 2013, on my consideration of Van's Kiddie Care'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 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* and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of claims, administrative reimbursement allowable, monetary claims and questioned costs, and meals served and program reimbursement are presented for purposes of additional analysis and is not a required part of the financial statements of Van's Kiddie Care. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic 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 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.


Roslyn J. Johnson, LLC
Certified Public Accountant
May 31, 2013

VAN'S KIDDIE CARE, INC.

Statement A

**Statement of Financial Position
September 30, 2012****ASSETS****Current Assets**

| | |
|------------------------------|-------------------|
| Cash (note 3) | \$ 138,658.93 |
| Accounts receivable (note 4) | 297,905.65 |
| Due from other funds | 18,042.44 |
| Other assets | 900.00 |
| Total current assets | <u>455,507.02</u> |

| | |
|--------------------------------|------------------|
| Equipment, net (note 5) | <u>20,589.58</u> |
|--------------------------------|------------------|

| | |
|---------------------|----------------------------|
| TOTAL ASSETS | <u><u>\$476,096.60</u></u> |
|---------------------|----------------------------|

LIABILITIES AND NET ASSETS**Current Liabilities**

| | |
|---------------------------------------|-------------------|
| Accounts payable - trade | \$ 8,358.47 |
| Accounts payable - providers (note 7) | 254,500.95 |
| Accrued salaries & taxes payable | 24,322.46 |
| Due to other funds | 18,042.44 |
| Total current liabilities | <u>305,224.32</u> |

Net Assets

| | |
|-------------------------|-------------------|
| Unrestricted | 149,382.70 |
| Temporarily restricted | 21,489.58 |
| Total net assets | <u>170,872.28</u> |

| | |
|---|----------------------------|
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$476,096.60</u></u> |
|---|----------------------------|

The accompanying notes are an integral part of this financial statement

VAN'S KIDDIE CARE, INC.

Statement B

**Statement of Activities
For the Year Ended September 30, 2012**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Totals</u> |
|--|----------------------|-----------------------------------|----------------------|
| Support and Revenues | | | |
| Federal Financial Assistance through the Louisiana Department of Education: | | | |
| Administrative reimbursement | \$ 465,151.00 | \$ - | \$ 465,151.00 |
| Program reimbursement | 3,097,432.62 | - | 3,097,432.62 |
| Contributions: | | | |
| Charitable gaming | 116,522.63 | - | 116,522.63 |
| Other | 110.00 | - | 110.00 |
| Total Support and Revenues | 3,679,216.25 | - | 3,679,216.25 |
| Expenses | | | |
| Program Services | | | |
| Meals served - Providers | 3,097,432.62 | - | 3,097,432.62 |
| Supporting Services | | | |
| Management and general | 476,140.49 | 11,093.35 | 487,233.84 |
| Fund-raising | 67,524.62 | - | 67,524.62 |
| Total Expenses | 3,641,097.73 | 11,093.35 | 3,652,191.08 |
| Change in Net Assets | 38,118.52 | (11,093.35) | 27,025.17 |
| Net Assets - Beginning of Year | 111,264.18 | 32,582.93 | 143,847.11 |
| Net Assets - End of Year | \$ 149,382.70 | \$ 21,489.58 | \$ 170,872.28 |

The accompanying notes are an integral part of this financial statement

Statement of Functional Expenses
For the Year Ended September 30, 2012

| | Program Service Expense | Supporting Services Expense | Fundraising Expenses | Totals |
|-----------------------|-------------------------------|-----------------------------------|-------------------------|------------------------|
| EXPENSES | | | | |
| Salaries and wages | | \$ 288,379.01 | \$ 8,950.00 | \$ 297,329.01 |
| Payroll taxes | | 22,050.07 | 733.27 | 22,783.34 |
| Insurance | | 23,862.38 | | 23,862.38 |
| Travel costs | | 15,606.76 | | 15,606.76 |
| Staff training | | 5,197.25 | | 5,197.25 |
| Postage | | 4,464.62 | | 4,464.62 |
| Office supplies | | 30,539.61 | - | 30,539.61 |
| Printing | | 3,174.55 | | 3,174.55 |
| Fundraising supplies | | 259.94 | 2,765.09 | 3,025.03 |
| Provider training | | 2,942.51 | | 2,942.51 |
| Building rent | | 32,516.40 | 43,955.24 | 76,471.64 |
| Telephone | | 12,028.63 | | 12,028.63 |
| Office equipment | | 9,852.97 | | 9,852.97 |
| Professional services | | 1,000.00 | 2,711.30 | 3,711.30 |
| Bank charges | | 1,598.69 | | 1,598.69 |
| Taxes | | | 5,105.00 | 5,105.00 |
| Advertising | | 335.00 | | 335.00 |
| Accounting | | 6,600.00 | | 6,600.00 |
| Equipment lease | | 495.00 | | 495.00 |
| Audit fees | | 4,000.00 | | 4,000.00 |
| Liability insurance | | 2,425.38 | | 2,425.38 |
| Uniforms | | 352.12 | | 352.12 |
| Payroll services | | 1,722.20 | | 1,722.20 |
| Depreciation | | 11,093.35 | | 11,093.35 |
| Miscellaneous | | 88.60 | 278.86 | 367.46 |
| Contributions | | | 3,025.86 | 3,025.86 |
| Provider assistance | \$ 3,097,432.62 | 6,648.80 | | 3,104,081.42 |
| Total Expenses | \$ 3,097,432.62 | \$ 487,233.84 | \$ 67,524.62 | \$ 3,652,191.08 |

The accompanying notes are an integral part of this financial statement

VAN'S KIDDIE CARE, INC.**Statement D****Statement of Cash Flows
For the Year Ended September 30, 2012**

| CASH FLOWS FROM OPERATING ACTIVITIES | |
|---|----------------------|
| Change in net assets | \$ 27,025.17 |
| Adjustments to reconcile change in net assets to cash provided by operating activities: | |
| Depreciation | 11,093.35 |
| (Increase) Decrease in Current Assets | |
| Accounts receivable | (26,406.17) |
| Increase (Decrease) in Current Liabilities | |
| Accounts payable - trade | (3,132.14) |
| Accounts payable - providers | 19,884.17 |
| Accrued salaries and taxes | 1,686.22 |
| Due to Sponsor | <u>(233.48)</u> |
| Net Cash Provided by Operating Activities | <u>29,917.12</u> |
| Net Decrease in Cash | 29,917.12 |
| Cash - Beginning of Year | <u>108,741.81</u> |
| Cash - End of Year | <u>\$ 138,658.93</u> |
| Supplemental Disclosure: | |
| Income taxes paid | <u>\$ 5,105.00</u> |

The accompanying notes are an integral part of this statement

Van's Kiddie Care, Inc.
Notes to the Financial Statements
For the Year Ended September 30, 2012

1. REPORTING ORGANIZATION

Van's Kiddie Care, Inc. is a nonprofit organization operating under the laws of the State of Louisiana and began operation on November 13, 1985. It was organized and operates exclusively for nonprofit.

Van's Kiddie Care, Inc. operates a Family Day Care Home Program under the Child Care Food Program, Section 17 of the 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. **Van's Kiddie Care, Inc.** through its personnel monitors the composition of the meals to assure nutritional values, make routine inspections of the homes to assure safety of the children who stay there, and act as 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 a source of 96% of the Organizations revenues. **Van's Kiddie Care, Inc.**, operations are funded by three sources of revenue as indicated:

Family Day Care Program (96.4%) – Operates a Family Day Care Home Program that provides meals to children in private centers. Funding is provided by federal funds passed through the Louisiana Department of Education.

General Services (.1%) – Provides payment of necessary agency expenses not specifically attributable to a grant/contract by the agency. Funding is provided by various fundraisers and donations by management.

Charitable Gaming (3.5%) – Participates in providing charitable games of chance in which proceeds are used for charitable purposes of the organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

The Organization follows the guidance of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position 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.

Unrestricted – Support, revenues, and expenses for the general operation of the **Organization**.

Temporarily Restricted – Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific period.

Permanently Restricted – Contributions subject to donor-imposed restrictions and that are to be held in perpetuity by the **Organization**. Generally, the donors of these assets permit the **Organization** to use all or part of the income derived from the investment of these contributions.

The Organization also follows the guidance of SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor imposed time or purpose restrictions.

B. UNRESTRICTED AND RESTRICTED SUPPORT AND REVENUES

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

C. 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 amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

D. ACCOUNTS RECEIVABLE

Management deems all accounts receivable collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when the determination is made.

E. EQUIPMENT

The Organization's policy is to capitalize equipment over \$300. Lesser amounts are expensed. Purchased equipment is capitalized at cost or, if donated at their estimated fair value at the date of donation. The federal government has a reversionary interest in property purchased with federal funds; its disposition as well as ownership of any proceeds there from is subject to federal regulations. The use of assets purchased with restricted funds is limited to the purposes intended by the funding agency.

Depreciation is provided utilizing the straight-line method over estimated useful lives of the asset. Depreciation expense totaled \$11,093.35 for the year ended September 30, 2012. Estimated lives of the assets are as follows:

| | |
|--------------------------------|--------------|
| Office furniture and equipment | 5 - 10 years |
|--------------------------------|--------------|

F. FUNCTIONAL EXPENSES

Expenses were allocated in the accompanying financial statements to program, supporting services and fundraising functional expense groups. Accordingly, certain costs have been allocated among programs, supporting services, fundraising services based on actual use or management's best estimate.

G. FUND ACCOUNTING

To ensure observance of limitations and restrictions based on the use of resources available to the Family Day Care Home (FDCHP) Program, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with the nature and purpose of such funds. Separate accounts are maintained for each fund. Accordingly, all financial transactions have been reported by fund group.

The assets, liabilities, and net assets of the Family Day Care Home (FDCHP) are reported in a self-balancing current restricted fund that includes all resources available for support of the Family Day Care Home (FDCHP) program.

H. INCOME TAXES

Van's Kiddie Care, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable Louisiana law. However, income from certain activities not directly related to Van's Kiddie Care's tax-exempt purpose would be subject to taxation as unrelated business income. The financial statements for the year ended September 30, 2012 included current income tax expenses of \$5,105.00.

I. STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

3. CASH

At September 30, 2012, the Organization has cash (book balance) totaling \$138,658.93, which is in noninterest-bearing demand accounts. The deposits are stated at costs, which approximate market and are fully secured by federal deposit insurance.

4. ACCOUNTS RECEIVABLE

Accounts receivable represents reimbursements due from the Louisiana Department of Education for meals served totaling \$254,500.95 and administrative costs totaling \$43,404.70, incurred during the month of September 30, 2012.

5. EQUIPMENT

At September 30, 2012, the costs of office furniture and equipment were as follows:

| | Purchased With Federal Funds | | | Balance September 30, 2012 |
|--------------------------------------|-------------------------------|--------------------|-------------|-------------------------------------|
| | Balance October 1, 2011 | Additions | Deletions | |
| Assets, being depreciated | | | | |
| Office furniture and equipment | \$ 95,084.44 | | | \$ 95,084.44 |
| Total assets, being depreciated | 95,084.44 | - | - | 95,084.44 |
| Less accumulated depreciation for: | | | | |
| Office furniture and equipment | 63,401.51 | 11,093.35 | - | 74,494.86 |
| Total accumulated depreciation | 63,401.51 | 11,093.35 | - | 74,494.86 |
| Total assets, being depreciated, net | <u>\$ 31,682.93</u> | <u>\$11,093.35</u> | <u>\$ -</u> | <u>\$ 20,589.58</u> |

6. CONCENTRATION OF REVENUES

The Organization receives a large amount of its revenue from one major source, the Louisiana Department of Education. Revenue of the program is based on the number of meals served by providers to children at the approved meal rate. Meal rates are determined on July 1 of each year by the Louisiana Department of Education. Meals served and approved meal rates are reported in the *Schedule of Meals Served and Program Reimbursements*. The revenue from this source represents approximately 96% of the Organization's total revenues during the year ended September 30, 2012.

7. DUE TO PROVIDERS

Due to providers represents amounts owed to providers for the cost of meals served during the month of September 2012.

8. BOARD OF DIRECTORS

The management of **Van's Kiddie Care, Inc.** is vested in a Board of Directors which consists of five members who serve without compensation.

9. SUBSEQUENT EVENTS

Management is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. Management performed such an evaluation through May 31, 2013, the date that the financial statements were available to issue, and noted no subsequent events or transactions that occurred after the statement of financial position date requiring recognition or disclosure.

**INDEPENDENT AUDITOR'S REPORTS AND
INFORMATION REQUIRED BY THE SINGLE
AUDIT ACT AND
*GOVERNMENT AUDITING STANDARDS***

**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
Van's Kiddie Care, Inc.
New Iberia, Louisiana**

I have audited the financial statements of **Van's Kiddie Care, Inc.** (a nonprofit organization) as of and for the year ended September 30, 2012, and have issued my report thereon dated May 31, 2013. 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.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered **Van's Kiddie Care, Inc.**' internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Van's Kiddie Care, Inc.**'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.


A deficiency in internal controls 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 **Van's Kiddie Care, Inc.**'s financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Van's Kiddie Care, Inc.' 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 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 my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.


Roslyn J. Johnson, LLC
Certified Public Accountant
May 31, 2013

**Report on Compliance With Requirements That Could Have a Direct
and Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133**

Board of Directors
Van's Kiddie Care, Inc.
New Iberia, Louisiana

Compliance

I have audited **Van's Kiddie Care, Inc.** (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a material effect on the major federal program for the year ended September 30, 2012. **Van's Kiddie Care's** major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of **Van's Kiddie Care's** management. My responsibility is to express an opinion on **Van's Kiddie Care's** compliance based on my audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 **Van's Kiddie Care'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. My audit does not provide a legal determination of **Van's Kiddie Care's** compliance with those requirements.

In my opinion, **Van's Kiddie Care, Inc.** complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major program for the year ended September 30, 2012.

Internal Control Over Compliance


Management of **Van's Kiddie Care, Inc.** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program. In planning and performing my audit, I considered

Van's Kiddie Cares' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 **Van's Kiddie Cares'** 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.

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 deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.


Roslyn J. Johnson, LLC
Certified Public Accountant
May 31, 2013

VAN'S KIDDIE CARE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2012

| Federal Grantor/ Pass-Through Grantor/ Program Name | Federal CFDA Number | Agency or Pass-through Number | Federal Expenditures September 30, 2012 |
|--|---------------------------|-------------------------------------|--|
| U. S. Department of Agriculture: Pass-through program from: Louisiana Department of Education - Child and Adult Care Food Program (FDCHP) | 10.558 | N/A | \$ <u>3,562,583.62</u> |

Notes to Schedule of Expenditures of Federal Awards:

Note 1 - Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying schedule of expenditures of federal award include the federal grant activity of Van's Kiddie Care, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

B. Accrued Reimbursement

Federal awards are on a cost reimbursement basis.

The accompanying notes are an integral part of this statement

VAN'S KIDDIE CARE, INC.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Audit

| | | | |
|--|-------------|----------------------|----|
| Type of auditor's report issued: | Unqualified | | |
| Material weakness (es) identified? | _____ Yes | _____ X _____ | No |
| Significant deficiency identified that are not considered to be material weaknesses? | _____ Yes | _____ X _____ | No |
| Noncompliance material to financial statements noted? | _____ Yes | _____ X _____ | No |

Audit of Federal Awards

Internal control over major programs:

| | | | |
|--|-----------|----------------------|----|
| Material weakness(es) identified? | _____ Yes | _____ X _____ | No |
| Significant deficiency identified that are not considered to be material weaknesses? | _____ Yes | _____ X _____ | No |

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

Unqualified

| | | | |
|--|-----------|----------------------|----|
| Any audit findings disclosed that are required to be reported in accordance with section 510(a) of circular A-133? | _____ Yes | _____ X _____ | No |
|--|-----------|----------------------|----|

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

10:558

Child and Adult Care Food Program (FDCHP)

The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000

Van's Kiddie Care, Inc. does qualify as a low-risk auditee? **X** Yes No

VAN'S KIDDIE CARE, INC.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2012

SECTION II - FINANCIAL STATEMENT AUDIT

No findings or questioned costs for the year ended September 30, 2012.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL

No findings or questioned costs for the year ended September 30, 2012.

VAN'S KIDDIE CARE, INC.
Schedule of Prior Findings and Questioned Costs
Year Ended September 30, 2012

No findings or questioned costs for the year ended September 30, 2011.

**SUPPLEMENTARY INFORMATION
SCHEDULES**

Combining Statement of Financial Position
September 30, 2012

| | General Services | Charitable Gaming | Family Day Care Home Program | Totals |
|---|---------------------|----------------------|---------------------------------------|----------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash | \$ 1,986.62 | \$ 129,353.64 | \$ 7,318.67 | \$ 138,658.93 |
| Accounts receivable | - | - | 297,905.65 | 297,905.65 |
| Due from other funds | - | 18,042.44 | - | 18,042.44 |
| Other Assets | - | - | 900.00 | 900.00 |
| Total current assets | <u>1,986.62</u> | <u>147,396.08</u> | <u>306,124.32</u> | <u>455,507.02</u> |
| Equipment, net | - | - | 20,589.58 | 20,589.58 |
| TOTAL ASSETS | <u>\$ 1,986.62</u> | <u>\$ 147,396.08</u> | <u>\$ 326,713.90</u> | <u>\$ 476,096.60</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Current Liabilities | | | | |
| Accounts payable - trade | \$ - | \$ - | \$ 8,358.47 | \$ 8,358.47 |
| Accrued salaries & taxes payable | - | - | 24,322.46 | 24,322.46 |
| Due to other funds | - | - | 18,042.44 | 18,042.44 |
| Due to providers | - | - | 254,500.95 | 254,500.95 |
| Total current liabilities | <u>-</u> | <u>-</u> | <u>305,224.32</u> | <u>305,224.32</u> |
| Net Assets | | | | |
| Unrestricted | 1,986.62 | 147,396.08 | - | 149,382.70 |
| Temporarily restricted | - | - | 21,489.58 | 21,489.58 |
| Total net assets | <u>1,986.62</u> | <u>147,396.08</u> | <u>21,489.58</u> | <u>170,872.28</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 1,986.62</u> | <u>\$ 147,396.08</u> | <u>\$ 326,713.90</u> | <u>\$ 476,096.60</u> |

The accompanying notes are an integral part of this financial statement

**Combining Statement of Activities
For the Year Ended September 30, 2012**

| | General Services | Charitable Gaming | Family Day Care Home Program | Totals |
|--|---------------------|----------------------|---------------------------------------|----------------------|
| Support and Revenue | | | | |
| Federal Financial Assistance through the Louisiana Department of Education: | | | | |
| Administrative reimbursement | \$ - | \$ - | \$ 465,151.00 | \$ 465,151.00 |
| Program reimbursement | - | - | 3,097,432.62 | 3,097,432.62 |
| Contributions | | | | |
| Charitable gaming | - | \$ 116,522.63 | - | 116,522.63 |
| Other | - | - | 110.00 | 110.00 |
| Total support and revenue | <u>-</u> | <u>116,522.63</u> | <u>3,562,693.62</u> | <u>3,679,216.25</u> |
| Expenses | | | | |
| Program services: | | | | |
| Meals served - Providers | - | - | 3,097,432.62 | 3,097,432.62 |
| Supporting services: | | | | |
| Management and general | 7,047.61 | - | 480,186.23 | 487,233.84 |
| Fund-raising | - | 67,524.62 | - | 67,524.62 |
| Total expenses | <u>7,047.61</u> | <u>67,524.62</u> | <u>3,577,618.85</u> | <u>3,652,191.08</u> |
| Change in Net Assets | (7,047.61) | 48,998.01 | (14,925.23) | 27,025.17 |
| Transfers in (out) | 8,469.67 | (12,301.55) | 3,831.88 | - |
| Net Assets - Beginning of Year | <u>564.36</u> | <u>110,699.82</u> | <u>32,582.93</u> | <u>143,847.11</u> |
| Net Assets - End of Year | <u>\$ 1,986.42</u> | <u>\$ 147,396.28</u> | <u>\$ 21,489.58</u> | <u>\$ 170,872.28</u> |

The accompanying notes are an integral part of this financial statement

VAN'S KIDDIE CARE

Schedule 3

**Audited Statement of Claims
Year Ended September 30, 2012**

REIMBURSEMENTS RECEIVED

| | |
|----------------|-------------------------------|
| Administrative | \$ 465,151.00 |
| Program | <u>3,097,432.62</u> |
| Total | <u><u>\$ 3,562,583.62</u></u> |

REIMBURSEMENTS ALLOWABLE

| | |
|----------------|-------------------------------|
| Administrative | \$ 465,151.00 |
| Program | <u>3,097,432.62</u> |
| Total | <u><u>\$ 3,562,583.62</u></u> |

OVER (UNDER) CLAIM

| | |
|----------------|----------|
| Administrative | \$ - |
| Program | <u>-</u> |

TOTAL OVER (UNDER) CLAIMED

| |
|------|
| \$ - |
|------|

**Schedule of Administrative Reimbursement Allowable
Year Ended September 30, 2012**

| | | | |
|--|-------------------|-----------------------|------------------------|
| A. Actual Administrative Expenses | | | <u>\$ 465,151.00</u> |
| B. Administrative Reimbursement (Home x Rates) | | | <u>\$ 465,151.00</u> |
| C. Approved Administrative Budget | | | <u>\$ 511,320.00</u> |
| D. Thirty percent (30%) total reimbursement Program Reimbursement | \$ 3,097,432.62 | | |
| Administrative reimbursement | <u>465,151.00</u> | | |
| | | <u>\$3,562,583.62</u> | |
| | | x.30 | |
| | | | <u>\$ 1,068,775.09</u> |
| E. Administrative Reimbursement Allowed (Homes X Rates) | | | <u>\$ 465,151.00</u> |
| F. Administrative Reimbursement Received | | | <u>\$ 465,151.00</u> |

VAN'S KIDDIE CARE, INC.

Schedule 5

**Schedule of Monetary Claims and Questioned Costs
Year Ended September 30, 2012**

ADMINISTRATIVE REIMBURSEMENT

Administrative overclaim

\$ -

PROGRAM REIMBURSEMENT

Meal counts and attendance

-

Total Overclaim

\$ -

VAN'S KIDDIE CARE

Schedule 6

Schedule of Meals Served and Program Reimbursement
Year Ended September 30, 2012

OCTOBER 1, 2011 TO JUNE 30, 2012

| | <u>BREAKFAST</u> | <u>LUNCH</u> | <u>SUPPLEMENT</u> | <u>SUPPER</u> | <u>TOTAL</u> |
|---|------------------|---------------|-------------------|-----------------|-----------------|
| Number of meals claimed | 221,646 | 211,450 | 490,016 | 477,389 | 1,400,501 |
| Less: Meals adjustments refund by sponsor | | | | | |
| Net meals allowed | 221,646 | 211,450 | 490,016 | 477,389 | 1,400,501 |
| Reimbursement rate | \$ 1.2400 | \$ 2.3200 | \$ 0.6900 | \$ 2.3200 | |
| Reimbursement based on rate | \$ 274,841.04 | \$ 490,564.00 | \$ 338,111.04 | \$ 1,107,542.48 | \$ 2,211,058.56 |

JULY 1, 2012 TO SEPTEMBER 30, 2012

| | <u>BREAKFAST</u> | <u>LUNCH</u> | <u>SUPPLEMENT</u> | <u>SUPPER</u> | <u>TOTAL</u> |
|---------------------------------|------------------|---------------|-------------------|---------------|---------------|
| Number of meals claimed | 62,395 | 103,884 | 184,709 | 180,145 | 531,133 |
| Less: Meals refunded by sponsor | | | | | |
| Net meals allowed | 62,395 | 103,884 | 184,709 | 180,145 | 531,133 |
| Reimbursement rate | \$ 1.2700 | \$ 2.3800 | \$ 0.7100 | \$ 2.3800 | |
| Reimbursement based on rate | \$ 79,241.65 | \$ 247,243.92 | \$ 131,143.39 | \$ 428,745.10 | \$ 886,374.06 |

| | | | | | |
|--------------------------------|---------|---------|---------|---------|-----------|
| TOTAL MEALS CLAIMED | 284,041 | 315,334 | 674,725 | 657,534 | 1,931,634 |
| TOTAL NET MEALS ALLOWED | 284,041 | 315,334 | 674,725 | 657,534 | 1,931,634 |

| | | | | | |
|--------------------------------------|---------------|---------------|---------------|-----------------|-----------------|
| PROGRAM REIMBURSEMENT CLAIMED | \$ 354,082.69 | \$ 737,807.92 | \$ 469,254.43 | \$ 1,536,287.58 | \$ 3,097,432.62 |
| PROGRAM REIMBURSEMENT ALLOWED | \$ 354,082.69 | \$ 737,807.92 | \$ 469,254.43 | \$ 1,536,287.58 | \$ 3,097,432.62 |

| | | | | | |
|--|--|--|--|--|-------------|
| MEALS OVERCLAIMED AND REFUNDED TO STATE | | | | | <u>\$ -</u> |
|--|--|--|--|--|-------------|