

**K & K PROVIDERS CORPORATION**

**Terrytown, Louisiana**

**FINANCIAL REPORT**

**SEPTEMBER 30, 2019**

**Roslyn J. Johnson, LLC**  
Certified Public Accountant

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**K & K PROVIDERS CORPORATION**  
**Terrytown, Louisiana**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
**K & K Providers, Inc.**  
1799 Stumpf Blvd  
Terrytown, Louisiana 70056

I have reviewed the accompanying financial statements of **K & K Providers, Inc.** ( a non-profit organization), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the **K & K Provider's** basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### 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.

### Accountant's Responsibility

My responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

### Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**K & K PROVIDER'S CORPORATION**  
Independent Accountant's Review Report  
For the Year Ended September 30, 2019

**Other Matters**

Required Supplementary Information

The accompanying schedules on pages 12 through 13, Compensation, Benefits, and Other Payments to the Executive Officer as required by LRS 24:513 and Schedule of Meals Claimed as required by Louisiana Department of Education are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the other supplementary information and, accordingly, do not express an opinion on such information.

*Roslyn J. Johnson, LLC*

Baton Rouge, Louisiana  
March 16, 2020

**K & K PROVIDERS CORPORATION**

**Statement of Financial Position**

**September 30, 2019**

**ASSETS**

**Current Assets**

Cash - restricted (note 2)	\$ 33,822.40
Cash - unrestricted (note 2)	3,663.79

Total Cash	37,486.19
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Reimbursements receivable (note 3)	40,116.51
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<b>Total Current Assets</b>	<b>\$ 77,602.70</b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 1,507.94
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Payroll taxes payable	1,158.24
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Funds held on behalf of others (note 4)	520.00
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Due to Providers (note 5)	55,281.10
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<b>Total Current Liabilities</b>	<b>58,467.28</b>
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**Net Assets**

Without donor restrictions:

Undesignated	3,143.79
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With donor restrictions:

Family Daycare Home Program	15,991.63
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<b>Total Net Assets</b>	<b>19,135.42</b>
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<b>Total Liabilities and Net Assets</b>	<b>\$ 77,602.70</b>
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See Independent Accountant's Review Report

**K & K PROVIDERS CORPORATION**

**Statement of Activities  
For the Year Ended September 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues</b>			
Federal Financial Assistance through the Louisiana Department of Education:			
Administrative reimbursement		\$ 98,179.00	\$ 98,179.00
Program reimbursement		318,435.70	318,435.70
Contributions	\$ 46.61		46.61
Net assets released from restrictions	416,614.70	(416,614.70)	-
 Total support and revenues	 416,661.31	 -	 416,661.31
<b>Expenses</b>			
Program Services:			
Meals served - Providers	318,040.54	-	318,040.54
Supporting Services:			
Management and general	74,050.86	-	74,050.86
Contractual services	4,176.50	-	4,176.50
Operational services	19,368.39	-	19,368.39
Other services	570.94	-	570.94
 Total expenses	 416,207.23	 -	 416,207.23
 <b>Change in Net Assets</b>	 454.08	 -	 454.08
 <b>Net Assets - Beginning of Year</b>	 5,298.00	 7,758.00	 18,681.34
 <b>Net Assets - End of Year</b>	 <u>\$ 5,752.08</u>	 <u>\$ 7,758.00</u>	 <u>\$ 19,135.42</u>

See Independent Accountant's Review Report

**K & K PROVIDERS CORPORATION**

**Statement of Cash Flows  
For the Year Ended September 30, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 454.08
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Restatement of beginning net assets	5,625.34
(Increase) Decrease in Current Assets	
Accounts receivable	21,563.49
Increase (Decrease) in Current Liabilities	
Accounts payable	1,507.94
Cash Overdraft	(1,123.00)
Payroll taxes payable	771.24
Funds held on behalf of others	520.00
Due to providers	<u>2,869.10</u>
Net cash provided (used) in operating activities	<u>32,188.19</u>
<b>Net increase in cash</b>	32,188.19
<b>CASH AT BEGINNING OF YEAR</b>	<u>5,298.00</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 37,486.19</u></u>

See Independent Accountant's Review Report

**K & K PROVIDERS CORPORATION**

**Schedule of Functional Expenses  
For the Year Ended September 30, 2019**

	<u>Program Service Expenses</u>	<u>Supporting Services Expenses</u>	<u>Total</u>
<b>EXPENSES</b>			
Personal services		\$ 74,050.86	\$ 74,050.86
Travel		3,621.13	3,621.13
Insurance		570.94	570.94
Internet		424.50	424.50
Minute Menu		4,176.50	4,176.50
Telephone		1,587.70	1,587.70
Building rent		10,920.00	10,920.00
Office supplies		2,643.97	2,643.97
Miscellaneous		171.09	171.09
Provider payments	<u>\$ 318,040.54</u>		<u>318,040.54</u>
Total expenses	<u>\$ 318,040.54</u>	<u>\$ 98,166.69</u>	<u>\$ 416,207.23</u>

See Independent Accountant's Review Report



## K & K Providers Corporation

Notes to the Financial Statements  
For the Year Ended September 30, 2019

### Note 1 – Summary of Significant Accounting Policies

#### A. Organization

**K & K Providers Corporation (the Organization)** is a private agency located in Jefferson Parish, Louisiana and chartered under the laws of the State of Louisiana as a non-profit corporation. It was organized for the purpose of providing social services and other benefits to primarily low income, disabled, elderly or other disadvantaged residents of Jefferson and nearby parishes and to mobilize resources for the conduct of these efforts. It engages in the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226, Child Care Food Program. Under the provisions of this Program, individuals who care for a small number of children in their homes are reimbursed for the cost of meals served to the children. **K & K Providers Corporation** 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 that administer funds and the providers who care for the children. This Program is funded (99%) by federal funds received from the State of Louisiana Department of Education.

#### B. Basis of Accounting and Financial Presentation

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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ACS 958, **the Organization** reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions include those net assets whose use by **the Organization** is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Net assets with donor restrictions are those net assets received with donor-imposed restrictions limiting **the Organization's** use of the assets. **The Organization's** net assets with donor restrictions at September 30, 2019 consist of donations received from Louisiana Department of Education to fund the Child and Adult Care Food Program.

#### C. Net Assets Released from Restrictions

Expiration of temporary restrictions of net assets (i.e., donor-stipulated purpose has been fulfilled and/or the stipulated time has elapsed) are reported as reclassifications between the applicable classes of net assets.

## K & K PROVIDER'S CORPORATION

Notes to the Financial Statements

For the Year Ended September 30, 2019

### D. 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.

### E. Reimbursements 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.

### F. Functional Expenses

The cost of providing the program services and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### G. Equipment and Furniture

The Organization's equipment and furniture is expensed when purchased. No depreciation is calculated.

### H. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable Louisiana law. Accordingly, no provision for income taxes has been made in these financial statements.

### I. Statement of Cash Flows

The Organization is required to present a 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.

### J. Liquidity Management

As of September 30, 2019, the Organization has financial assets of \$37,486.19 in cash, with \$15,991.63 subject to donor restrictions and a remaining balance of \$21,494.56 which could be made readily available within one year of the statement of financial position date to meet general expenditures. As a part of its liquidity management, the organization has a policy to structure its

## K & K PROVIDER'S CORPORATION

Notes to the Financial Statements

For the Year Ended September 30, 2019

financial assets to be made available as general expenditures, liabilities, and other obligations become due.

### K. Recent Accounting Pronouncement – Adopted

In August 2016, the 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 lack of consistency in the type of information provided about expenses and investment return. **The Organization** implemented ASU 2016-14 and has adjusted the presentation of these financial statements accordingly. The ASU has been applied retrospectively to the period presented which resulted in no reclassification of net assets.

### Note 2 - Cash

At September 30, 2019, **the Organization** has cash (book balance) totaling \$37,486.19, which is in a noninterest-bearing demand account. The deposits are stated at cost, which approximate market and are fully secured by federal deposit insurance.

### Note 3 – Reimbursements Receivables

Reimbursements receivable represents reimbursements due from the Louisiana Department of Education for meals served during the month of September 2019.

Provider Reimbursement Receivable	\$ 24,908.51
Administrative Reimbursement Receivable	<u>15,208.00</u>
Total Reimbursements Receivable	<u><u>\$ 40,116.51</u></u>

### Note 4 – Funds Held on Behalf of Others

**The Organization** acts as a custodian for provider's fire inspection fees. Funds held on behalf of the providers at September 30, 2019 was \$520.00.

### Note 5 – Due to Providers

Due to providers represents amounts owed to providers for the cost of meals served during the month of September 2019.

## K & K PROVIDER'S CORPORATION

Notes to the Financial Statements

For the Year Ended September 30, 2019

### Note 6 – Concentration of Revenues

The Organization receives a large amount of its revenues 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 rates. 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 99.0% of the Organizations total revenues during the year ended September 30, 2019.

### Note 7 – Prior Period Adjustment

The Net Assets as of September 30, 2018, have been restated to reflect the correction of errors related to prior years recording of revenues. The effect of the restatement is as follows:

Net Assets, September 30, 2018 as previously Reported	\$ 13,056.00
Correct the recording of prior year revenue	<u>5,625.34</u>
Net Assets, September 30, 2019, as restated	<u>\$18,681.34</u>

### Note 8 – Board of Directors

The management of K & K Providers Corporation is vested in a Board of Directors which consists of three members who serve without compensation.

### Note 9 – Board Designation of Net Assets

At September 30, 2019, the Organization's Board has not designated any portion of net assets for specific purposes.

### Note 10– 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 March 16, 2020, 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.

**SUPPLEMENTARY INFORMATION SCHEDULES**

**FAMILY DAY CARE HOME PROGRAM  
ADMINISTERED BY  
K & K PROVIDERS CORPORATION**

**Schedule of Compensation, Benefits and Other Payments  
to Executive Director  
Year Ended September 30, 2019**

**KENDRA NELSON, EXECUTIVE DIRECTOR**

<b>PURPOSE</b>	<b>AMOUNT</b>
Salary	\$ 49,920.00
Benefits - Retirement	3,095.00
Benefits-Medicare	723.80
Travel	<u>3,387.93</u>
<b>TOTAL</b>	<b><u><u>\$ 57,126.73</u></u></b>

## K &amp; K PROVIDERS, INC.

Schedule of Meals Served and Program Reimbursement  
Year Ended September 30, 2019

OCTOBER 1, 2018 TO JUNE 30, 2019	<u>BREAKFAST</u>	<u>LUNCH</u>	<u>SUPPLEMENT</u>	<u>SUPPER</u>	<u>TOTAL</u>
<b>TIER 1</b>					
Number of meals claimed	28,149	30,828	45,773	33,878	138,628
Less: Meals refunded by sponsor	0	0	0	0	
Net meals allowed	28,149	30,828	45,773	33,878	138,628
Reimbursement rate	1.3100	2.4600	0.7300	2.4600	
Reimbursement based on rate	\$ 36,875.19	\$ 75,836.88	\$ 33,414.29	\$ 83,339.88	\$ 229,466.24
<b>TIER 2</b>					
Number of meals claimed	135	135	130	0	400
Less: Meals refunded by sponsor	0	0	0	0	
Net meals allowed	135	135	130	0	400
Reimbursement rate	0.4800	1.4800	0.2000	1.4800	
Reimbursement based on rate	\$ 64.80	\$ 199.80	\$ 26.00	\$ -	\$ 290.60
<b>JULY 1, 2019 TO SEPTEMBER 30, 2019</b>					
<b>TIER 1</b>					
Number of meals claimed	10,542	12,448	17,952	12,200	53,142
Less: Meals refunded by sponsor	0	0	0	0	
Net meals allowed	10,542	12,448	17,952	12,200	53,142
Reimbursement rate	1.3300	2.4900	0.7400	2.4900	
Reimbursement based on rate	\$ 14,020.86	\$ 30,995.52	\$ 13,284.48	\$ 30,378.00	\$ 88,678.86
<b>TOTAL MEALS CLAIMED</b>	38,691	43,276	63,725	46,078	191,770
<b>TOTAL NET MEALS ALLOWED</b>	38,691	43,276	63,725	46,078	191,770
<b>PROGRAM REIMBURSEMENT CLAIMED</b>	\$ 50,960.85	\$ 107,032.20	\$ 46,724.77	\$ 113,717.88	\$ 318,435.70
<b>PROGRAM REIMBURSEMENT ALLOWED</b>	\$ 50,960.85	\$ 107,032.20	\$ 46,724.77	\$ 113,717.88	\$ 318,435.70
<b>MEALS OVERCLAIMED AND REFUNDED TO LDOE</b>					<u>NONE</u>

**K & K PROVIDERS CORPORATION**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2019**

**SECTION I - SUMMARY OF INDEPENDENT ACCOUNTANT'S RESULTS**

Not Applicable

**SECTION II - FINDINGS - FINANCIAL STATEMENT AUDIT**

Not Applicable

**SECTION III - FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS**

Not Applicable

**SECTION IV - MANAGEMENT LETTER**

Not Applicable



**K & K PROVIDERS CORPORATION**  
**Summary of Prior Year Findings and Questioned Costs**  
**Year Ended September 30, 2019**

No findings or questioned costs for the year ended September 30, 2018.

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Quasi-public Agencies)**

February 28, 2020

Roslyn J. Johnson, LLC  
P. O. Box 66494  
Baton Rouge, Louisiana 70896

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of September 30, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes  No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes  No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes  No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law.)

Yes  No

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [ X ] No [ ]

**Reporting**

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [ X ] No [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [ X ] No [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [ X ] No [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [ X ] No [ ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [ X ] No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [ X ] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [ X ] No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed upon procedures.

Yes  No

We have provided you with any communications from regulatory agencies, internal auditors; other independent practitioners, or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes  No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No

The previous responses have been made to the best of our belief and knowledge.

Kendall Nelson

Executive Director

3/18/2020

Date