

**LOUISIANA CHLDCARE
REIMBURSEMENT PROGRAM INC.**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2020

LOUISIANA CHLDCARE REIMBURSEMENT PROGRAM, INC
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees

Louisiana Childcare Reimbursement Program, Inc.

Livingston, LA 70754

Report on the Financial Statements

I have audited the accompanying financial statements of Louisiana Childcare Reimbursement Program, Inc., (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, cash flows, and functional expenses, 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 Louisiana Childcare Reimbursement Program, Inc., as of September 30, 2020, 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.

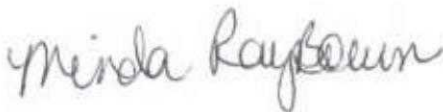
Other Matters

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 March 29, 2021 on my consideration of Louisiana Childcare Reimbursement Program, 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 Louisiana Childcare Reimbursement Program, Inc.'s internal control over financial reporting and compliance.



Minda Raybourn CPA

Franklinton, LA

March 29, 2021

FINANCIAL STATEMENTS

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

ASSETS	<u>Administrative</u>	<u>General</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 8,964	\$ 17,058	\$ 26,022
Due from Department of Education	41,491	-	41,491
Due from General Fund	-	-	-
Total Current Assets	<u>50,456</u>	<u>17,058</u>	<u>67,513</u>
TOTAL ASSETS	<u>50,456</u>	<u>17,058</u>	<u>67,513</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	2,300	-	2,300
Cash Overdrawn	5,875	-	5,875
Due to providers	41,065	-	41,065
Withholding taxes payable	2,189	-	2,189
Accrued salaries payable	-	-	-
Paycheck Protection Program	-	16,745	16,745
Due to administrative fund	-	-	-
Total Current Liabilities/Total Liabilities	<u>51,430</u>	<u>16,745</u>	<u>68,175</u>
Net Assets (Deficit)			
With donor restrictions	-	-	-
Without donor restrictions	<u>(975)</u>	<u>313</u>	<u>(662)</u>
Total Net Assets (Deficit)	<u>(975)</u>	<u>313</u>	<u>(662)</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 50,456</u>	<u>\$ 17,058</u>	<u>\$ 67,513</u>

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

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

UNRESTRICTED NET ASSETS	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND OTHER GAINS			
Administrative reimbursement	\$ -	\$ 121,504	\$ 121,504
Provider reimbursement	-	514,935	514,935
Other income	-	-	-
Fundraising and other contributions	1,880	-	1,880
Net assets released from restrictions	<u>636,439</u>	<u>(636,439)</u>	<u>-</u>
Total support and other gains	<u>638,319</u>	<u>-</u>	<u>638,319</u>
EXPENSES			
Program services	514,935	-	514,935
Supporting services	<u>135,889</u>	<u>-</u>	<u>135,889</u>
Total expenses	<u>650,824</u>	<u>-</u>	<u>650,824</u>
CHANGE IN NET ASSETS	(12,505)	-	(12,505)
NET ASSETS (DEFICIT), BEGINNING	<u>11,843</u>	<u>-</u>	<u>11,843</u>
NET ASSETS (DEFICIT), ENDING	<u>\$ (662)</u>	<u>\$ -</u>	<u>\$ (662)</u>

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

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from program and administrative reimbursements	\$ 654,337
Cash received from fundraising efforts & other	1,880
Cash paid for program expenses	(571,661)
Cash paid to or on behalf of employees for services	(90,005)
Cash paid to suppliers for goods and services	<u>(43,584)</u>
Net cash used for operating services	<u>(49,033)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash received from Paycheck Protection Program	<u>16,745</u>
Net cash provided by financing activities	<u>16,745</u>
CASH AND CASH EQUIVALENTS, BEGINNING	58,310
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 26,022</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED FOR OPERATING ACTIVITIES	\$ (12,505)
Adjustments to reconcile change in net assets to net cash used for operating activities	
Depreciation	-
(Increase) decrease in assets:	
Due from Department of Education	(1,555)
Increase (decrease) in liabilities:	-
Accounts payable	8,819
Due to providers	(43,686)
Withholding taxes payable	(107)
Accrued salaries payable	-
NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES	<u><u>\$ (49,033)</u></u>

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

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF FUNCTIONAL EXPENSES**

YEAR ENDED SEPTEMBER 30, 2020

<u>ACCOUNT</u>	<u>PROGRAM</u>	<u>SUPPORTING</u>	<u>GENERAL</u>
Bank fees	\$ -	\$ -	\$ -
Janitorial	-	3,600	-
Insurance	-	2,433	-
Minute Menu	-	4,950	-
Office expenses	-	2,483	100
Operations	-	-	-
Postage	-	2,760	-
Printing	-	-	-
Professional fees	-	3,100	-
Provider payments/support	514,935	-	-
Reimbursement	-	-	1,742
Rent/occupancy	-	4,200	-
Rent/equipment	-	-	-
Salaries	-	83,609	-
Payroll taxes	-	6,396	-
Telephone, Internet, Cable	-	4,924	-
Travel	-	12,270	-
Utilities	-	3,322	-
TOTAL FUNCTIONAL EXPENSES	<u>\$ 514,935</u>	<u>\$ 134,047</u>	<u>\$ 1,842</u>

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

NOTES TO FINANCIAL STATEMENTS

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC,
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. (hereafter referred to as the Organization) was established to provide supervised provisions of meals. It serves an average of 95 homes per month to primarily low-income, disabled, elderly or other disadvantaged residents of Livingston and nearby 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 30th, and its significant accounting policies are as follows:

Basis of presentation

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

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

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

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

Measure of operations

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

Cash and Cash Equivalents

Cash and cash equivalents consist of 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.

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC,
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 collection is expected at 100%, an allowance for doubtful accounts has not been recorded.

Inventory

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

Support and Expenses

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

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

Use of Estimates

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

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.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC,
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

The federal income tax returns of the company for fiscal years 2014, 2015, 2016 and 2018 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

New Accounting Pronouncement

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

NOTE 2-AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at September 30, 2020:

Financial assets at year end:	
Cash and cash equivalents	\$ 26,022
Accounts receivable	41,491
Total financial assets	67,513
Less amounts to be used withing one year for the following:	
Provider claims	41,065
Total financial assets available for use over the next 12 months	\$ 26,448

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

NOTE 3-CASH AND CASHEQUIVALENTS

Cash and cash equivalents consist of the following:

Demand deposits \$26,022

Of this amount, \$8,964 is maintained in the provider accounts to be utilized for the family day care home program. The administrative account had a negative balance of \$5,875 at the end of the year and was reclassified to the liability section. The remaining funds (\$17,058) are held by the General Fund and can be utilized at discretion of management.

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC,
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4 –RECEIVABLES

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

Due from Department of Education \$41,491

NOTE 5 -ACCOUNTS AND OTHER PAYABLES

Payables at year-end include the following:

Accounts payable	\$	2,300
Cash overdrawn		5,875
Payables to providers		41,065
Withholding taxes payable		2,189
Accrued salaries		-
PPP Loan		16,745
Total	\$	<u>68,175</u>

NOTE 6 – RESTRICTONS 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	\$514,935
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**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC,
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 8 -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 supporting services.

NOTE 9 -CONCENTRATIONS

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.

Geographical Market. The Organization is approved to operate in the parishes of Washington and neighboring parishes. Volume is dependent on the willing and eligible providers in these areas.

NOTE 10 -LITIGATION

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

NOTE 11-RESTATEMENT OF NET ASSETS

The net assets for the net assets were restated for September 30, 2019. The beginning net assets for the administrative funds were restated from \$11,200 to \$11,843. This is due to restating the prior year carryover.

NOTE 12-PAYCHECK PROTECTION PROGRAM

The agency received \$16,745 in Paycheck Protection Program funding during the fiscal year. These funds are classified as a liability due to the funds not being forgiven at the end of the year.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC,
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 13 -SUBSEQUENT EVENTS

Management has evaluated subsequent events between the close of the fiscal year and March 29, 2021, the date on which the financial statements were available to be issued, that would materially impact the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2020**

<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	

Family Day Care Home Program

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

Program services: meals/snacks	\$ 514,935
Supporting services	<u>134,048</u>
Total federal award expenditures	<u>\$ 648,983</u>

**Notes to Schedule of Expenditures of Federal Awards
Year ended September 30, 2020**

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

Louisiana Childcare Reimbursement Program, 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-recipients.

See Independent Auditor's Report.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
YEAR ENDED SEPTEMBER 30, 2020**

Agency head
Judy Morrison

Purpose	
Salary	37,616
FICA	2,878
Travel-monitoring visits	<u>5,801</u>
Total compensation, benefits, and other payments	<u><u>46,295</u></u>

See independent auditor's report.

SUPPLEMENTARY INFORMATION

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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
Louisiana Childcare Reimbursement Program, Inc.

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 Louisiana Childcare Reimbursement Program, Inc., (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated March 29, 2021.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Louisiana Childcare Reimbursement Program, 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Childcare Reimbursement Program, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Louisiana Childcare Reimbursement Program, 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may

exist that have not been identified. I did identify certain deficiencies in internal control , described in the accompanying schedule of findings and questions costs as items 2020-001 and 2002-002, that I consider to be material weaknesses.

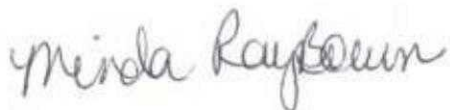
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Childcare Reimbursement Program, Inc.'s financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Minda Raybourn CPA

Franklinton, LA

March 29, 2021

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
Louisiana Childcare Reimbursement Program, Inc.

Report on Compliance for Each Major Federal Program

I have audited Louisiana Childcare Reimbursement Program, 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 Louisiana Childcare Reimbursement Program, Inc.'s major federal programs for the year ended September 30, 2020. Louisiana Childcare Reimbursement Program, 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 Louisiana Childcare Reimbursement Program, 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 Louisiana Childcare Reimbursement Program, 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 Louisiana Childcare Reimbursement Program, Inc.'s compliance.

Basis for Qualified Opinion on Child and Adult Care Food Program (CACFP)

As described in the accompanying schedule of findings and questioned costs, Louisiana Childcare Reimbursement Program, Inc. did not comply with requirements regarding CFDA 10.558 Child and Adult Care Food Program as described in finding number 2020-003 for Activities Allowed or Unallowed. Compliance with such requirements is necessary, in our opinion, for Louisiana Childcare Reimbursement Program, Inc. to comply with the requirements applicable to that program.

Qualified Opinion on Child and Adult Care Food Program (CACFP)

In my opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Louisiana Childcare Reimbursement Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Child and Adult Care Food Program (CACFP) for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of Louisiana Childcare Reimbursement Program, 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 Louisiana Childcare Reimbursement Program, 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 Louisiana Childcare Reimbursement Program, 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. I did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2020-004 and 2020-005 that I consider to be material weaknesses.

Louisiana Childcare Reimbursement Program, Inc.'s response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Louisiana Childcare Reimbursement Program, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our 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.

Minda Raybourn

Minda Raybourn CPA
Franklinton, LA

March 29, 2021

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

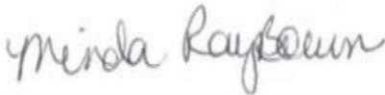
(985) 839-4413

Fax (985) 839-4402

INDEPENDENT AUDITOR'S REPORT ON CLAIMS FOR REIMBURSEMENT

To the Board of Trustees of
Louisiana Childcare Reimbursement Program, Inc.
PO Box 669
Livingston, Louisiana 70754

I have examined the accompanying claims for reimbursements (Audited Statements of Claims attached) submitted by the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, 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 USDA OIG 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, 2019 through September 30, 2020.



Minda Raybourn
Certified Public Accountant

Franklinton, LA
March 29, 2021

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
AUDITED STATEMENT OF CLAIMS
YEAR ENDED SEPTEMBER 30, 2020**

REIMBURSEMENT PER AUDIT

Administrative	121,504
Program-meals	<u>514,935</u>
Total reimbursement per audit	<u><u>636,439</u></u>

REIMBURSEMENTS CLAIMED AND RECEIVED

Administrative	121,504
Program-meals	<u>514,935</u>
Total reimbursement claims and received	<u><u>636,439</u></u>

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

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS
YEAR ENDED SEPTEMBER 30, 2020**

MEALS SERVED	NUMBER SERVED BY MEAL TYPE				TOTAL
	BREAKFAST	LUNCH	SUPPLEMENTS	SUPPER	
From October 1, 2019 through June 30, 2020					
Tier 1	33,933	47,885	79,936	66,373	228,127
Reimbursement rate	1.33	2.49	0.74	2.49	
Total for period	45,131	119,234	59,153	165,269	388,786
From July 1, 2020 through September 30, 2020					
Tier 1	6,693	16,797	21,173	21,644	66,307
Reimbursement rate	1.39	2.61	0.78	2.61	
Total for period	9,303	43,840	16,515	56,491	126,149
TOTAL MEALS SERVED	40,626	64,682	101,109	88,017	294,434
NET REIMBURSEMENT	54,434	163,074	75,668	221,760	514,935

See independent auditor's report.

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Louisiana Childcare Reimbursement Program, Inc. were prepared in accordance with generally accepted accounting principles.
2. Two material weaknesses were disclosed during the audit of the financial statements. No significant deficiencies are reported.
3. No instances of noncompliance material to the financial statements of Louisiana Childcare Reimbursement Program, Inc. were disclosed during the audit.
4. Two material weaknesses over internal control were identified during the audit of the major federal award program. No significant deficiencies over internal control are reported.
5. The auditor's report on compliance for the United States Department of Agriculture Child and Adult Care Food Program (CACFP) expresses a qualified 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 is as follows:

Type A- \$750,000 or more of federal awards expended
Type B- Any program that does not meet the threshold of Type A programs.
8. For the period ending September 30, 2020, Louisiana Childcare Reimbursement Program Inc. was determined not to be a low-risk auditee.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

FINDINGS-FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal Control over Reporting:
Material Weaknesses identified: Yes
Significant Deficiencies identified: No

Noncompliance material to the financial statements note: No

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM

Type of auditor's report on compliance for major federal programs: Qualified
Internal control over major federal programs:
Material Weaknesses identified: Yes
Significant Deficiencies identified: No

Any audit findings disclosures that are required to be reported in accordance with 2 CFR 200.516(a): Yes

Identification of major federal programs: 10.558 United States Department of Agriculture Adult and Child Day Care food Program

Dollar threshold used to distinguish between Type A and B programs \$750,000

Auditee qualified as a low-risk auditee: No

MANAGEMENT LETTER

None

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020

Findings-Financial Statement Audit

Material Weaknesses

Finding 2020-001 Administrative Expenditure Documentation

CONDITION: Fifteen administrative expenditures were selected to test for adequate source documentation. Of the fifteen tested, nine expenditures could not be supported with an invoice, receipt, or travel log.

CRITERIA : Administrative expenditures should be documented with an invoice, receipt, or other adequate documentation. Before processing the payment, all source documentation should be presented and approved by management. Management should approve cross reference the documentation presented with the check before signing the check.

CAUSE OF CONDITION: Lack of internal controls over administrative expenditures.

POTENTIAL EFFECT OF CONDITION: The potential for misappropriation of assets. Without source documentation, fraud, waste, and abuse could occur.

RECOMMENDATION: The entity needs to strengthen its policies and procedures over disbursements. Management needs to put controls in place over the control, documentation, approval, processing, and monitoring of all administrative expenditures.

CLIENT RESPONSE : We will follow the auditor's recommendations.

Finding 2020-002 Accounting Records

CONDITION: The accounting records were not adequate. The provider, administrative, and general bank accounts were not reconciled each month. The receivables, payables, revenues, and expenditures for provider and administrative areas were not reconciled each month.

CRITERIA: Financial statements provided should be accurate as possible. Accounting records including the general ledger should be sufficient and accurate as possible at the close of the fiscal year for the auditor to begin the audit. Bank accounts should be reconciled each month. Receivables and payables should be reconciled each month.

CAUSE OF CONDITION: Lack of internal controls over accounting records.

POTENTIAL EFFECT OF CONDITION: The potential for misappropriation of assets. Without proper recording and reconciliations each month, fraud, waste, and abuse could occur.

RECOMMENDATION: The entity needs to strengthen its policies and procedures over the accounting records. Internal controls need to be strengthened to ensure all balance sheet accounts are reconciled each month including cash, revenues and expenditures are recorded each month to the appropriate account and financial statements are provided each month.

CLIENT RESPONSE: We will follow the auditor's recommendations.

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020

Findings and Questioned Costs-Major Federal Award Programs Audit

United States Department of Agriculture

Finding 2020-003 Food and Nutrition Services Child and Adult Day Care Food Program CFDA No 10.558. Grant Period October 1, 2019 through September 30, 2020.

Condition: Nine out of fifteen administrative expenditures could not be traced back to a source document such as an invoice, receipt, or travel log.

Criteria: Reimbursements for administrative expenditures should be used solely for administrative costs of managing the food service program. Administrative expenditures should be documented with an invoice, receipt, or other adequate documentation. Before processing the payment, all source documentation should be presented and approved by management. Management should approve cross reference the documentation presented with the check before signing the check.

Cause: The agency has a lack of internal controls over administrative expenditure source documentation.

Effect: The potential for misappropriation of assets. Without source documentation, fraud, waste, and abuse could occur.

Context: A sample of fifteen administrative expenditures were selected for audit from a population of 100 expenditures totaling \$44,043. This population did not include payroll expenditures and related payroll taxes. Nine expenditures could not be traced back to a source document such as an invoice, receipt, or travel log. The test found these nine expenditures were not in compliance with questioned costs totaling \$4,957. My sample was a statistically valid sample.

Recommendation: The entity needs to strengthen its policies and procedures over disbursements. Management needs to put controls in place over the control, documentation, approval, processing, and monitoring of all administrative expenditures.

Management's Response: We will follow the auditor's recommendations.

Finding 2020-004 Food and Nutrition Services Child and Adult Day Care Food Program CFDA No 10.558. Grant Period October 1, 2019 through September 30, 2020.

Material Weakness: As discussed in finding 2020-001, Fifteen administrative expenditures were selected to test for adequate source documentation. Of the fifteen tested, nine expenditures could not be supported with an invoice, receipt, or travel log. Because of the lack of documentation, misappropriation of assets may occur in addition to fraud, abuse, and waste. The entity needs to strengthen its policies and procedures over disbursements. Management needs to put controls in place over the control, documentation, approval, processing, and monitoring of all administrative expenditures.

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020

Finding 2020-005 Food and Nutrition Services Child and Adult Day Care Food Program CFDA No 10.558. Grant Period October 1, 2019 through September 30, 2020.

Material Weakness: As discussed in finding 2020-002, The accounting records were not adequate. The provider, administrative, and general bank accounts were not reconciled each month. The receivables, payables, revenues, and expenditures for provider and administrative areas were not reconciled each month. Without proper recording and reconciliations, misappropriation of assets will occur. The entity needs to strengthen its policies and procedures over the accounting records. Internal controls need to be strengthened to ensure all balance sheet accounts are reconciled each month including cash, revenues and expenditures are recorded each month to the appropriate account and financial statements are provided each month.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019**

There were no prior year findings.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2020**

Louisiana Childcare Reimbursement Program, Inc. submits the following corrective action plan for the year ended September 30, 2020.

Auditor: Minda Raybourn CPA, 820 11th Avenue, Franklinton, LA 70438

Audit period: September 30, 2020

The findings from the September 30, 2020 schedule of findings and questioned costs are discussed below. They are numbered consistently with the numbers assigned in the schedule.

FINDINGS-FINANCIAL STATEMENT AUDIT

Finding 2020-001 Administrative Expenditure Documentation

Condition: Fifteen administrative expenditures were selected to test for adequate source documentation. Of the fifteen tested, nine expenditures could not be supported with an invoice, receipt, or travel log.

Planned Corrective Action: The executive director will work to strengthen its policies and procedures over disbursements for administrative expenditures.

Anticipated completion date: May 31, 2021

Contact information: Lisa Milton, PO Box 669, Livingston, LA 70754, telephone (225) 686-2852

Finding 2020-002 Accounting Records

Condition: The accounting records were not adequate. The provider, administrative, and general bank accounts were not reconciled each month. The receivables, payables, revenues, and expenditures for provider and administrative areas were not reconciled each month

Planned Corrective Action: The executive director will work to hiring a new accountant to reconcile all accounts, record all transactions to the accounting ledger, and provide financial reports.

Anticipated completion date: May 31, 2021

Contact information: Lisa Milton, PO Box 669, Livingston, LA 70754, telephone (225) 686-2852

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2020**

Findings and Questioned Costs-Major Federal Award Programs Audit

Finding 2020-003 Food and Nutrition Services Child and Adult Day Care Food Program CFDA No 10.558. Grant Period October 1, 2019 through September 30, 2020.

Condition: Nine out of fifteen administrative expenditures could not be traced back to a source document such as an invoice, receipt, or travel log.

Planned Corrective Action: The executive director will work to strengthen its policies and procedures over disbursements for administrative expenditures.

Anticipated completion date: May 31, 2021

Contact information: Lisa Milton, PO Box 669, Livingston, LA 70754, telephone (225) 686-2852

Finding 2020-004 Food and Nutrition Services Child and Adult Day Care Food Program CFDA No 10.558. Grant Period October 1, 2019 through September 30, 2020.

Condition: As discussed in finding 2020-001, Fifteen administrative expenditures were selected to test for adequate source documentation. Of the fifteen tested, nine expenditures could not be supported with an invoice, receipt, or travel log.

Planned Corrective Action: The executive director will work to strengthen its policies and procedures over disbursements for administrative expenditures.

Anticipated completion date: May 31, 2021

Contact information: Lisa Milton, PO Box 669, Livingston, LA 70754, telephone (225) 686-2852

Finding 2020-005 Food and Nutrition Services Child and Adult Day Care Food Program CFDA No 10.558. Grant Period October 1, 2019 through September 30, 2020.

Condition: As discussed in finding 2020-002, The accounting records were not adequate. The provider, administrative, and general bank accounts were not reconciled each month. The receivables, payables, revenues, and expenditures for provider and administrative areas were not reconciled each month.

Planned Corrective Action: The executive director will work to strengthen its policies and procedures over disbursements for administrative expenditures.

Anticipated completion date: May 31, 2021

Contact information: Lisa Milton, PO Box 669, Livingston, LA 70754, telephone (225) 686-2852