

**LOUISIANA CHILDCARE
REIMBURSEMENT PROGRAM INC.**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2021

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
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Minda B. Raybourn

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees
Louisiana Childcare Reimbursement Program, Inc.
Livingston, LA 70754

I have reviewed the accompanying financial statements of Louisiana Childcare Reimbursement Program, Inc. (a non-profit corporation), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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 engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. 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

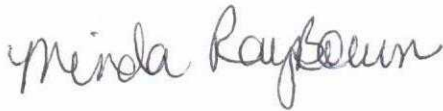
Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The accompanying schedule of compensation, benefits and other payments to agency head as required by the Louisiana Legislative Auditor and the schedule of meals served and program reimbursements as required by the Louisiana Department of Education are presented for purposes of additional analysis. These schedules, although not a part of the basic financial statements, are considered by these agencies to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Such information is the responsibility of management. It has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I did not become aware of any material modifications that should be made to such information.

Agreed-Upon Procedures

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report, dated July 14, 2022 on the results of my agreed-upon procedures



Minda Raybourn CPA
Franklinton, LA
July 14, 2022

FINANCIAL STATEMENTS

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021

ASSETS	<u>Administrative</u>	<u>General</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 7,942	\$ 1,150	\$ 9,092
Due from Department of Education	-	-	-
Due from General Fund	-	-	-
Total Current Assets	<u>7,942</u>	<u>1,150</u>	<u>9,092</u>
TOTAL ASSETS	<u>7,942</u>	<u>1,150</u>	<u>9,092</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	-	-	-
Cash Overdrawn	-	-	-
Due to providers	-	-	-
Withholding taxes payable	-	-	-
Accrued salaries payable	-	-	-
Paycheck Protection Program	-	-	-
Due to LDOE	-	-	-
Total Current Liabilities/Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets (Deficit)			
With donor restrictions	-	-	-
Without donor restrictions	<u>7,942</u>	<u>1,150</u>	<u>9,092</u>
Total Net Assets (Deficit)	<u>7,942</u>	<u>1,150</u>	<u>9,092</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 7,942</u>	<u>\$ 1,150</u>	<u>\$ 9,092</u>

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

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

UNRESTRICTED NET ASSETS	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND OTHER GAINS			
Administrative reimbursement	\$ -	\$ 87,852	\$ 87,852
Provider reimbursement	-	357,240	357,240
Other income	2,132	-	2,132
Paycheck protection program	16,745	-	16,745
Net assets released from restrictions	445,092	(445,092)	-
Total support and other gains	<u>463,969</u>	<u>-</u>	<u>463,969</u>
EXPENSES			
Program services	356,866	-	356,866
Supporting services	98,673	-	98,673
Total expenses	<u>455,539</u>	<u>-</u>	<u>455,539</u>
CHANGE IN NET ASSETS	8,430	-	8,430
NET ASSETS (DEFICIT), BEGINNING	<u>662</u>	<u>-</u>	<u>662</u>
NET ASSETS (DEFICIT), ENDING	<u>\$ 9,092</u>	<u>\$ -</u>	<u>\$ 9,092</u>

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

LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from program and administrative reimbursements	\$ 486,210
Cash received from fundraising efforts & other	1,664
Cash paid for program expenses	(410,971)
Cash paid to or on behalf of employees for services	(62,511)
Cash paid to suppliers for goods and services	(31,321)
Net cash used for operating services	<u>(16,930)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
CASH AND CASH EQUIVALENTS, BEGINNING	26,022
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 9,092</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED FOR OPERATING ACTIVITIES	\$ 8,430
Adjustments to reconcile change in net assets to net cash used for operating activities	
Depreciation	-
(Increase) decrease in assets:	
Due from Department of Education	41,491
Increase (decrease) in liabilities:	-
Accounts payable	(2,300)
Due to providers	(39,742)
Withholding taxes payable	(2,189)
Paycheck protection program	(16,745)
Cash overdrawn	(5,875)
NET CASH PROVIDED (USED) FOR OPEARTING ACTIVITIES	<u><u>\$ (16,930)</u></u>

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

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

YEAR ENDED SEPTEMBER 30, 2021

<u>ACCOUNT</u>	<u>PROGRAM</u>	<u>SUPPORTING</u>	<u>GENERAL</u>
Dues	\$ -	\$ 194	\$ -
Janitorial	-	1,200	-
Minute Menu	-	1,144	-
Office expenses	-	861	-
Other	-	151	-
Postage	-	2,202	-
Professional fees	-	5,300	-
Provider payments/support	356,866	-	-
Rent/occupancy	-	2,315	-
Salaries	-	58,078	-
Payroll taxes	-	4,433	-
Taxes	-	7,827	-
Telephone, Internet, Cable	-	3,724	-
Travel	-	9,189	-
Utilities	-	2,055	-
TOTAL FUNCTIONAL EXPENSES	<u>\$ 356,866</u>	<u>\$ 98,673</u>	<u>\$ -</u>

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

NOTES TO FINANCIAL STATEMENTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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 69 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 report 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

The federal income tax returns of the company for fiscal years 2017, 2018, 2019 and 2020 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, 2021:

Financial assets at year end:		
Cash and cash equivalents	\$	9,092
Accounts receivable		-
Total financial assets		<u>9,092</u>
Less amounts to be used within one year for the following:		
Provider and administrative cash		7,942
Total financial assets available for use over the next 12 months	\$	<u><u>1,150</u></u>

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 CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Demand deposits \$9,092

Of this amount, \$7,942 is maintained in the provider accounts to be utilized for the family day care home program. The remaining funds (\$1,150) are held by the General Fund and can be utilized at discretion of management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 4 – 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 5-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	\$357,240
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NOTE 6 -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 7-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 8 -LITIGATION

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 9-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. The loan was forgiven during the fiscal year and was recognized as income on the Organization's financial statements.

NOTE 10-DISCONTINUED OPERATIONS

On June 30, 2021, the board of the Organization voted to discontinue operations. The contract with Louisiana Department of Education was effectively ended on June 30, 2021. There were no gain or loss on the action. The entity had no capital assets to sell. The provider payments were paid in full and there are no known provider claims outstanding. Reimbursements from the Louisiana Department of Education to the Organization were paid in full.

NOTE 11 -SUBSEQUENT EVENTS

Management has evaluated subsequent events between the close of the fiscal year and July 14, 2022, the date on which the financial statements were available to be issued, that would materially impact the accompanying financial statements. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending September 30, 2021.

SUPPLEMENTARY INFORMATION

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
YEAR ENDED SEPTEMBER 30, 2021**

Agency head
Judy Morrison

Purpose	
Salary	24,586
FICA	1,881
Travel-monitoring visits	4,389
Total compensation, benefits, and other payments	<u>30,855</u>

See independent accountant's report.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
STATEMENT OF CLAIMS
YEAR ENDED SEPTEMBER 30, 2021**

REIMBURSEMENT PER AUDIT

Administrative	87,852
Program-meals	<u>357,240</u>
Total reimbursement per audit	<u><u>445,092</u></u>

REIMBURSEMENTS CLAIMED AND RECEIVED

Administrative	87,852
Program-meals	<u>357,240</u>
Total reimbursement claims and received	<u><u>445,092</u></u>

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

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS
YEAR ENDED SEPTEMBER 30, 2021**

MEALS SERVED	NUMBER SERVED BY MEAL TYPE				
	BREAKFAST	LUNCH	SUPPLEMENTS	SUPPER	TOTAL
From October 1, 2020 through June 30, 2021					
Tier 1	31,776	37,764	70,408	61,002	200,950
Reimbursement rate	1.39	2.61	0.78	2.61	
Total for period	44,169	98,564	54,918	159,215	356,866
From July 1, 2021 through September 30, 2021					
Tier 1	-	-	-	-	-
Reimbursement rate	1.39	2.61	0.78	2.61	
Total for period	-	-	-	-	-
TOTAL MEALS SERVED	31,776	37,764	70,408	61,002	200,950
NET REIMBURSEMENT	44,169	98,564	54,918	159,215	356,866

See independent accountant's report.

Minda B. Raybourn

Certified Public Accountant

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Trustees
Louisiana Childcare Reimbursement Program, Inc.
Livingston, LA 70754

and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the Louisiana Childcare Reimbursement Program, Inc.'s (the "Agency") compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended September 30, 2021 as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Agency's management is responsible for its financial records and compliance with applicable laws and regulations.

The Agency has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Agency's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year ended September 30, 2021. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. The report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

The Agency provided me with the following list of expenditures made for state grant awards received during the fiscal year ended September 30, 2021:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
USDA Child and Adult Care Food Program, Passed From Louisiana Department of Education, Division of Nutrition	2021	10.558	\$455,539
Total Expenditures			\$455,539

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.
3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

No exceptions were noted.

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

No exceptions were noted.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Activities allowed or unallowed

I compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. No exceptions were noted.

Eligibility

I compared documentation for each of the selected disbursements with program compliance requirements related to eligibility. No exceptions were noted.

Reporting

I compared documentation for each of the selected disbursements with program compliance requirements related to reporting. No exceptions were noted.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

No exceptions were noted.

Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

The agency provided me with the minutes. Agendas were provided and management asserted they were posted.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

The Agency provided documentation that comprehensive budgets were submitted to the applicable federal grantor agency for the grants exceeding five thousand dollars. These budgets included the purpose and duration of the grant program.

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The agency's report was submitted to the Legislative Auditor before the statutory due date of September 30, 2020.

11. Inquire of management and report whether the agency entered 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).

The Agency's management represented that the Agency did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

Finding 2020-001: Resolved.

Finding 2020-002 Not resolved. Agency discontinued operations effective June 30, 2021.

Finding 2020-003: Resolved.

Finding 2020-004: Resolved.

Finding 2020-005 Not resolved. Agency discontinued operations effective June 30, 2021.

I was engaged by the Agency to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Agency's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Minda Raybourn CPA

Franklinton, LA

July 14, 2022

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Finding 2021-001 Late Submittal of Report

Condition: Review was not engaged until January 22, 2022 for the September 30, 2021 fiscal year.

Criteria: Local auditees must engage a CPA firm approved by Louisiana Legislative Auditors to perform its audit or other engagement no later than sixty days after its fiscal year end.

Cause of Condition: The entity closed its operations effective June 30, 2021.

Potential Effect of Condition: Noncompliance with state audit law.

Recommendation: The entity must engage the CPA timely.

Client Response: We will engage the CPA for our final engagement 30 days before the effective fiscal year end.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

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 PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021

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.

STATUS: Resolved.

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.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

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

STATUS: Not resolved. Agency discontinued operations effective June 30, 2021.

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.

Status: Resolved.

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

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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.

Status: Resolved.

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.

STATUS: Not resolved. Agency discontinued operations effective June 30, 2021.

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

January 19, 2022 (Date Transmitted)

Minda B Raybourn CPA LLC
820 11TH Ave
Franklinton, LA 70438

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of September 30, 2021 (date) 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). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to 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 No

Reporting

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

Yes 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 [X] 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 [X] 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 [X] No []

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

Christine Smiley Secretary 1-24-2022 Date

Christine Smiley Treasurer 1-24-2022 Date

Jong Hano President 1-24-2022 Date