

FOOD FARE AGENCY  
FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2021

*Minda B. Raybourn*

*Certified Public Accountant  
Limited Liability Company*

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WITH SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2021**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Food Fare Agency  
304 11<sup>th</sup> Avenue  
Franklinton, Louisiana 70438

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

I have audited the accompanying financial statements of Food Fare Agency (a nonprofit organization), 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.

#### ***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 Food Fare Agency as of September 30, 2021, 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.

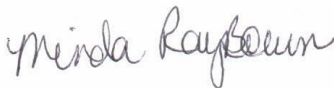
***Other Matters***

***Other Information***

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in the audited 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 Standards***

In accordance with *Government Auditing Standards*, we have also issued my report dated July 5, 2022, on my consideration of Food Fare Agency'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 Food Fare Agency's, internal control over financial reporting and compliance.



Minda B. Raybourn, CPA  
Franklinton, LA  
July 5, 2022

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FINANCIAL STATEMENTS

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**FOOD FARE AGENCY  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2021**

ASSETS	<u>Total</u>
Current Assets	
Cash and cash equivalents	\$ 4,761
Due from Department of Education	<u>50,965</u>
Total Current Assets/Total Assets	<u><u>55,726</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities	
Accounts payable	1,099
Due to providers	40,441
Withholding taxes payable	1,309
Accrued salaries payable	<u>-</u>
Total Current Liabilities/Total Liabilities	<u><u>42,849</u></u>
Net Assets (Deficit)	<u>-</u>
With donor restrictions	-
Without donor restrictions	<u>12,877</u>
Total Net Assets (Deficit)	<u><u>12,877</u></u>
Total Liabilities and Net Assets (Deficit)	<u><u>\$ 55,726</u></u>

The accompanying notes are an integral part of these financial statements.

**FOOD FARE AGENCY  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2021**

UNRESTRICTED NET ASSETS	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND OTHER GAINS</b>			
Administrative reimbursement	\$ -	\$ 123,438	\$ 123,438
Provider reimbursement	-	544,104	544,104
USDA emergency funding		2,221	2,221
Fundraising and other contributions	5,700	-	5,700
Net assets released from restrictions	<u>669,763</u>	<u>(669,763)</u>	<u>-</u>
Total support and other gains	<u><u>675,463</u></u>	<u><u>-</u></u>	<u><u>675,463</u></u>
<b>EXPENSES</b>			
Program services	546,660	-	546,660
Supporting services	128,271	-	128,271
Fundraising and other expenses	<u>4,003</u>	<u>-</u>	<u>4,003</u>
Total expenses	<u><u>678,934</u></u>	<u><u>-</u></u>	<u><u>678,934</u></u>
<b>CHANGE IN NET ASSETS</b>	<u>(3,471)</u>	<u>-</u>	<u>(3,471)</u>
<b>NET ASSETS (DEFICIT), BEGINNING</b>	<u>16,348</u>	<u>-</u>	<u>16,348</u>
<b>NET ASSETS (DEFICIT), ENDING</b>	<u><u>\$ 12,877</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,877</u></u>

The accompanying notes are an integral part of these financial statements.

**FOOD FARE AGENCY  
SCHEDULE OF FUNCTIONAL EXPENSES  
ADMINISTRATIVE FUND  
YEAR ENDED SEPTEMBER 30, 2021**

<u>ACCOUNT</u>	<u>PROGRAM</u>	<u>SUPPORTING</u>	<u>GENERAL</u>
Insurance	\$ -	\$ 1,419	\$ -
AccuTrak	-	570	-
Dues	-	384	-
Maintenance	-	244	75
Office expenses	-	16,430	495
Postage	-	464	-
Printing	-	212	-
Professional fees	-	9,015	-
Provider payments/support	544,438	-	-
USDA emergency payments	2,221	-	-
Rent/occupancy	-	8,000	-
Salaries	-	71,470	-
Payroll taxes	-	7,939	-
Telephone	-	4,539	-
Provider training	-	181	-
Staff training	-	151	-
Travel	-	5,820	-
Other	-	1,410	523
Fundraising	-	-	-
Fire marshal	-	-	2,910
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 546,660</b>	<b>\$ 128,248</b>	<b>\$ 4,003</b>

The accompanying notes are an integral part of these financial statements.



**FOOD FARE AGENCY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from provider and administrative reimbursements	\$ 669,165
Cash received USDA emergency funding	2,221
Cash received from fundraising efforts & other	5,700
Cash paid for program expenses	(551,404)
Cash paid to or on behalf of employees for services	(79,410)
Cash paid to suppliers for goods and services	(53,395)
Net cash used for operating services	<u>(7,122)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>
CASH AND CASH EQUIVALENTS, BEGINNING	11,883
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 4,761</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED FOR OPERATING ACTIVITIES</b>	
Change in net assets	\$ (3,471)
Adjustments to reconcile change in net assets to net cash used for operating activities	
(Increase) decrease in assets:	
Due from Department of Education	849
Increase (decrease) in liabilities:	
Accounts payable	600
Due to providers	(4,744)
Due to Department of Education	-
Withholding taxes payable	(356)
Accrued salaries payable	-
<b>NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES</b>	<u>\$ (7,122)</u>

The accompanying notes are an integral part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**

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**FOOD FARE AGENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The Family Day Care Home Program of Food Fare Agency (hereafter referred to as the Organization) is a private agency located in Washington Parish, Louisiana and chartered under the laws of the State of Louisiana as a non-profit corporation. Its purpose is to provide social services and other benefits to primarily low income, disabled, elderly or other disadvantaged residents of Washington 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 with approval to participate in the parishes of Washington, St. Tammany, and Tangipahoa.

It operates on a fiscal year ending September 30 and its significant accounting policies are as follows:

**Basis of Presentation**

The financial statements of Food Fare Agency 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. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**FOOD FARE AGENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**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.

**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 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. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Advertising costs are expensed as incurred. There were none in the current year.

**FOOD FARE AGENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**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.

**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.

**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.

**FOOD FARE AGENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

NOTE 2-AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets as of September 30, 2021:

Availability and Liquidity	
Financial assets at year end:	
Cash and cash equivalents	\$ 4,761
Accounts receivable	50,965
Total financial assets	<u>55,726</u>
Less amounts not available to be used within one year:	
net assets with purpose restrictions to be met in one year	<u>40,441</u>
Financial assets available to meet general expenditures over the next twelve months.	<u><u>\$ 15,285</u></u>

The Organization's goal is to generally maintain financial assets to meet 90 days of operating expenses.

**FOOD FARE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Demand Deposits	\$	4,661
Petty Cash		<u>100</u>
Total Cash	<u>\$</u>	<u>4,761</u>

Of the demand deposits amount, \$4,201 is maintained in the administrative and provider accounts to be utilized for the family day care home program. The remaining funds of \$560 are held by the General Fund and can be utilized at the discretion of management.

NOTE 4 - RECEIVABLES

Receivables are stated at the amount the Organization expects to collect. Management considers all receivables to be collectible at September 30, 2021.

Receivables at year-end consist of the following:

Due from:		
Department of Education		\$50,965

**FOOD FARE AGENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

NOTE 5 - ACCOUNTS AND OTHER PAYABLES

Payables at year-end include the following:

Accounts payable	\$ 1,099
Payables to providers	40,441
Withholding taxes payable	1,309
Accrued salaries	-
Total	<u>\$ 42,849</u>

NOTE 6 - NET ASSETS RELEASED FROM RESTRICTIONS

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.

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose of the following:

Reimbursing providers for meals during the year totaled \$544,104  
Reimbursing administrative costs for the year totaled \$123,438



**FOOD FARE AGENCY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

NOTE 7 - CONCENTRATIONS

*Receivables and Revenues.* All receivables recorded are due from the Louisiana Department of Education, Division of Nutrition Assistance. Approximately all 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.

NOTE 9-SUBSEQUENT EVENTS

There were no subsequent events between the close of the fiscal year and July 5, 2022, the date on which the financial statements were available to be issued, that would materially impact the accompanying financial statements.

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SUPPLEMENTARY INFORMATION

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**FOOD FARE AGENCY  
SCHEDULE OF COMPENSATION, BENEFITS  
AND OTHER PAYMENTS TO AGENCY HEAD  
YEAR ENDED SEPTEMBER 30, 2021**

Agency Head

Amanda Oalman, Executive Director

<u>Purpose</u>	
Salary	\$ 39,915
Benefits - retirement (FICA)	3,054
Travel - monitoring visits	3,280
Reimbursements	-
Total Compensation, Benefits and Other Payments	<u>\$ 46,249</u>

See independent auditor's report.

See Independent Accountant's Review Report

**FOOD FARE AGENCY  
SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS  
YEAR ENDED SEPTEMBER 30, 2021**

MEALS SERVED	NUMBER SERVED BY MEAL TYPE				TOTAL
	BREAKFAST	LUNCH	SUPPLEMENTS	SUPPER	
From October 1, 2020 through June 30, 2021					
Tier 1	13,882	50,070	79,654	75,035	218,641
Reimbursement rate	1.39	2.61	0.78	2.61	
Total for period	19,296	130,683	62,130	195,841	407,950
From July 1, 2021 through September 30, 2021					
Tier 1	3,975	16,533	26,538	25,250	72,296
Reimbursement rate	1.40	2.63	0.78	2.63	
Total for period	5,565	43,482	20,700	66,408	136,154
TOTAL MEALS SERVED	17,857	66,603	106,192	100,285	290,937
NET REIMBURSEMENT	24,861	174,164	82,830	262,249	544,104

See independent auditor's report.

# Minda B. Raybourn

*Certified Public Accountant*

*Limited Liability Company*

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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 Directors  
Food Fare Agency  
304 11<sup>th</sup> Avenue  
Franklinton, Louisiana 70438

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 Food Fare Agency (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated July 5, 2022.

### **Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Food Fare Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Food Fare Agency's internal control. Accordingly, I do not express an opinion on the effectiveness of the Food Fare Agency's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

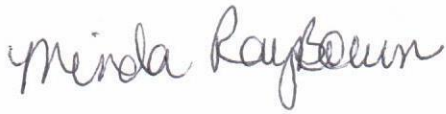
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. ( I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2021-002 that I consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Food Fare Agency'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 financial statements. 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.

A handwritten signature in cursive script that reads "Minda Raybourn".

Minda Raybourn CPA  
Franklinton, LA 70438  
July 5, 2022

**FOOD FARE AGENCY  
SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS  
YEAR ENDED SEPTEMBER 30, 2021**

**Section 1 - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes

No

Significant deficiencies identified that are not  
considered to be material weaknesses?

Yes

No

Noncompliance material to the financial statements noted?

Yes

No

*Federal Awards - N/A*

Was a management letter issued?

Yes

No

**FOOD FARE AGENCY  
SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS  
YEAR ENDED SEPTEMBER 30, 2021**

**Section II Financial Statement Findings**

**Finding 2021-001 Bank Reconciliations**

**CONDITION:** The provider bank reconciliation has many outstanding checks and deposits and a line item for "unreconciled difference". The administrative account had outstanding checks more than one year old totaling \$4406.86. The bank reconciliations were not reviewed for accuracy.

**CRITERIA:** An effective internal control system require the design and implementation of standardized procedures related to bank reconciliations not limited to but including reviewing each month's bank reconciliation and statement for accuracy and completion, reviewing the reconciled balance to the ending balance on the accounting records, and reviewing and researching outstanding deposits and checks.

**CAUSE OF CONDITION:** The organization lacks complete standardized procedures and effective internal controls over the bank reconciliations.

**EFFECT:** Failure to design and follow standardized procedures and failure to design and implement internal controls over bank reconciliations exposes the organization to several risks including inaccurate and fraudulent reporting and misappropriation of assets. The organization's financial statements and accounting records will be materially misstated and will not be prevented or detected.

**RECOMMENDATION:** The organization needs to implement standardized procedures and design and implement effective internal controls including:

- 1) As part of the reconciliation, the preparer should consider whether (1) all receipts and disbursements are recorded by the entity; (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger balance.
- 2) Any differences between the bank balances and accounting records (e.g., deposits not clearing the bank, unusual disbursements or transfers) should be immediately researched and resolved.
- 3)The preparer should also research reconciling items that are outstanding for more than six months to determine if the checks need to be voided and reissued or whether the funds need to be submitted to the State Treasurer in compliance with unclaimed property laws.
- 4) Once the reconciliation is prepared, the preparer should sign/initial and date (or electronically log completion).
- 5) The completed bank reconciliation, bank statement, and supporting documentation should be immediately reviewed by a designated official who is knowledgeable about the entity's operations but does not handle cash, post ledgers, or prepare checks. This could be a board member. Once the reconciliation is reviewed, the reviewer should sign/initial and date (or electronically log completion).

**MANAGEMENT RESPONSE:** We will implement the auditor's recommendation.



**FOOD FARE AGENCY  
SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS  
YEAR ENDED SEPTEMBER 30, 2021**

**FINDING 2021-002 Accounting Records**

CONDITION: Provider reimbursement revenues and provider payment expenditures recorded on the accounting records did not correspond with the claim submittal forms and provider check registers. Some reimbursement revenues and provider disbursements were posted to the revenue account. Other reimbursement revenues and provider disbursements were posted to the expenditure account. Administrative revenues were not reconciled from the claim submittal forms to the general ledger. Claim submittal forms for revenues and check registers for provider payments were not being reconciled against the general ledger.

CRITERIA: Effective operations and an effective internal control system require the design and implementation of standardized procedures for assurance that the financial data being reported is accurate and complete. Internal controls should be in place to reconcile claim submittal forms and provider check registers with the accounting records. Monitoring by management of the reconciliations should be done.

CAUSE OF CONDITION: There is inadequate internal controls and implementation of internal controls of reconciling the program documentation to the general ledger. Monitoring of the reconciliations was not evident.

EFFECT: Failure to design and have effective procedures and failure to design and implement effective internal controls exposes the organization to several risks including misappropriation of assets and inaccurate or fraudulent financial reporting. Failure to reconcile and monitor reconciliation of the claim submittal forms and check registers with the accounting records will cause the financial statements to be misstated.

RECOMMENDATION: Each month, management should reconcile the claim submittal forms to the revenue account on the general ledger. Provider check registers should be reconciled to the provider payment expenditure account. Management should put a monitoring procedure in place to ensure the documentation is reconciled with the general ledger.

MANAGEMENT RESPONSE: We agree with the auditor's recommendation and procedures will be implemented.

**FOOD FARE AGENCY  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED SEPTEMBER 30, 2021**

**Section I Financial Statement Findings**

N/A

**Section II Federal Award Findings and Questioned Costs**

N/A

**Section III Management Letter**

N/A