

VAN'S KIDDIE CARE CORPORATION

New Iberia, Louisiana

FINANCIAL REPORT

SEPTEMBER 30, 2020

Roslyn J. Johnson, LLC
Certified Public Accountant

VAN'S KIDDIE CARE CORPORATION

New Iberia, Louisiana

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VAN'S KIDDIE CARE CORPORATION

New Iberia, Louisiana

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Independent Auditor's Report

Board of Directors

Van's Kiddie Care Corporation

New Iberia, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of **Van's Kiddie Care Corporation (the Organization)** (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, 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 the financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in *Governmental 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 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.

VAN'S KIDDIE CARE CORPORATION

Independent Auditor's Report

Year Ended September 30, 2020

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Van's Kiddie Care Corporation** as of September 30, 2020, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards*. Also, schedules on page 24 through 27 as required by the Louisiana Department of Education, and the schedule of Compensation, Benefits, and Other Payments to the Chief Operating & Financial Officer as required by LRS 24:513 on page 28, are presented for purposes of additional analysis and are not a required part of the 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 Governmental Auditing Standards

In accordance with Governmental Auditing Standards, I have also issued my report dated March 22, 2021 on my consideration of the **Organization** internal control over financial reporting and on our 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 controls 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 **the Organization's** internal control over financial reporting and compliance.

Roslyn J. Johnson, LLC

Roslyn J. Johnson, LLC
Baton Rouge, Louisiana
March 22, 2021

Roslyn J. Johnson, LLC
Certified Public Accountant

VAN'S KIDDIE CARE CORPORATION

**Statement of Financial Position
September 30, 2020**

ASSETS

Current Assets

Cash in bank -unrestricted (note 2)	\$ 268,898.63
Cash in bank - restricted (note 2)	178,817.61
Total cash in bank	<u>447,716.24</u>
Reimbursements receivable (note 3)	813,604.35
Accounts receivable	2,744.10
Due from sponsors	600.00
Other assets	900.00
Total current assets	<u>1,265,564.69</u>
Equipment, net (note 4)	<u>78,689.38</u>
TOTAL ASSETS	<u><u>\$ 1,344,254.07</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable - trade	\$ 11,226.56
Accrued salaries & taxes payable	65,686.54
Loan payable (note 6)	136,106.00
Due to providers (note 7)	814,444.72
Funds Held for Others - Fire Marshal	796.00
Total current liabilities	<u>1,028,259.82</u>

Net Assets

Without donor restrictions:	
Undesignated	223,929.97
With donor restrictions:	
Family Daycare Home Program	92,064.28
Total net assets	<u>315,994.25</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,344,254.07</u></u>

The accompanying notes are an integral part of this financial statement

VAN'S KIDDIE CARE CORPORATION

**Statement of Activities
For the Year Ended September 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Federal Financial Assistance through the Louisiana Department of Education:			
Administrative reimbursement		\$ 1,034,580.00	\$1,034,580.00
Program reimbursement		7,865,636.63	7,865,636.63
Contributions:			
Fundraising	\$ 98,336.28		98,336.28
Other	2,253.00		2,253.00
Net assets released from restrictions:			-
Restrictions satisfied by payment	8,900,216.63	(8,900,216.63)	-
Total Support and Revenues	9,000,805.91	-	9,000,805.91
Expenses			
Program Services			
Meals served - Providers	7,865,636.43		7,865,636.43
Supporting Services			
Management and general	844,491.91	4,889.19	849,381.10
Professional services	114,936.35		114,936.35
Operational services	188,136.12		188,136.12
Other services	20,291.54		20,291.54
Fund-raising	47,313.35		47,313.35
Total Expenses	9,080,805.70	4,889.19	9,085,694.89
Change in Net Assets	(79,999.79)	(4,889.19)	(84,888.98)
Net Assets - Beginning of Year	303,929.76	96,953.47	400,883.23
Net Assets - End of Year	\$ 223,929.97	\$ 92,064.28	\$ 315,994.25

The accompanying notes are an integral part of this financial statement

VAN'S KIDDIE CARE CORPORATION

**Statement of Functional Expenses
For the Year Ended September 30, 2020**

	Program Service Expense	Supporting Services Expense	Fundraising Expenses	Totals
EXPENSES				
Salaries and wages		\$ 703,867.45	\$ 21,486.00	\$ 725,353.45
Payroll taxes		55,815.63	1,655.77	57,471.40
Insurance		69,901.14		69,901.14
Travel costs		9,900.58		9,900.58
Staff training		5,007.11		5,007.11
Office costs		90,875.93		90,875.93
Fundraising supplies			7,923.28	7,923.28
Provider training		2,113.29		2,113.29
Building rent		68,440.60	11,419.54	79,860.14
Telephone		17,881.33		17,881.33
Accounting		11,225.00		11,225.00
Equipment lease		10,920.10		10,920.10
Audit fees		8,000.00		8,000.00
Consulting services		3,600.00		3,600.00
Janitorial services		14,400.00		14,400.00
Computer Services		66,791.25		66,791.25
Liability insurance		6,122.77		6,122.77
Payroll services		2,702.20	2,411.29	5,113.49
Professional Services			1,425.00	1,425.00
Depreciation		4,889.19		4,889.19
Utilities		422.42		422.42
Contributions			892.47	892.47
Miscellaneous		19,869.12	100.00	19,969.12
Provider payments	\$ 7,865,636.43			7,865,636.43
Total Expenses	\$ 7,865,636.43	\$1,172,745.11	\$ 47,313.35	\$ 9,085,694.89

The accompanying notes are an integral part of this financial statement

VAN'S KIDDIE CARE CORPORATION

Statement of Cash Flows

For the Year Ended September 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (84,888.98)
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	4,889.19
(Increase) Decrease in Current Assets	
Reimbursement receivable	588,355.24
Accounts receivable	(2,744.10)
Due from Sponsor	(600.00)
Increase (Decrease) in Current Liabilities	
Accounts payable - trade	(6,090.22)
Accounts payable - providers	(413,816.87)
Accounts payable - Fire Marshal	(137.00)
Due to sponsor	(400.00)
Accrued salaries and taxes	13,427.47
Net cash provided (used) by operating activities	<u>97,994.73</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisitions of equipment	(68,401.25)
Net cash flow from investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowings of long-term debt	<u>136,106.00</u>
Net increase in cash	165,699.48
CASH AT BEGINNING OF YEAR	<u>282,016.76</u>
CASH AT END OF YEAR	<u><u>\$ 447,716.24</u></u>

The accompanying notes are an integral part of this statement

Van's Kiddie Care Corporation
Notes to the Financial Statements
For the Year Ended September 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

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

Van's Kiddie Care Corporation operates a Family Day Care Home Program under the Child Care Food Program, Section 17 of the National School Lunch Act. Under the provisions of this program, individuals who care for a small number of children in their homes are reimbursed for the costs of meals served to the children. **Van's Kiddie Care Corporation** through its personnel monitors the composition of the meals to assure nutritional values, make routine inspections of the homes to assure safety of the children who stay there, and act as intermediary between the state and federal agencies who administer funds and the providers who care for the children. This Program is funded totally by federal funds received from the State of Louisiana Department of Education and is a source of 98% of the Organizations revenues. **Van's Kiddie Care Corporation** operations are funded by three sources of revenue as indicated:

Family Day Care Program (98%) – Operates a Family Day Care Home Program that provides meals to children in private centers. Funding is provided by federal funds passed through the Louisiana Department of Education.

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

Charitable Gaming (1%) – Participates in providing charitable games of chance in which proceeds are used for charitable purposes of the organization.

B. BASIS OF ACCOUNTING AND FINANCIAL PRESENTATION

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

VAN'S KIDDIE CARE CORPORATION

Notes to Financial Statements

For the Year Ended September 30, 2020

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ACS 958, **the Organization** reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions include those net assets whose use by **the Organization** is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Net assets with donor restrictions are those net assets received with donor-imposed restrictions limiting **the Organization's** use of the assets. **The Organization's** net assets with donor restrictions at September 30, 2020 consist of donations received from Louisiana Department of Education to fund the Child and Adult Care Food Program.

C. NET ASSETS RELEASED FROM RESTRICTIONS

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

D. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

E. REIMBURSEMENTS AND ACCOUNTS RECEIVABLE

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

F. EQUIPMENT

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

VAN'S KIDDIE CARE CORPORATION

Notes to Financial Statements

For the Year Ended September 30, 2020

Depreciation is provided utilizing the straight-line method over estimated useful lives of the asset. Estimated lives of the assets are as follows:

Office furniture and equipment	5 - 10 years
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G. FUNCTIONAL EXPENSES

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

H. FUND ACCOUNTING

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

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

I. INCOME TAXES

Van's Kiddie Care Corporation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable Louisiana law. However, income from certain activities not directly related to **Van's Kiddie Care's** tax-exempt purpose would be subject to taxation as unrelated business income. The financial statements for the year ended September 30, 2020 did not include the payment of any income tax expenses.

J. STATEMENT OF CASH FLOWS

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

VAN'S KIDDIE CARE CORPORATION

Notes to Financial Statements

For the Year Ended September 30, 2020

K. LIQUIDITY MANAGEMENT

As of September 30, 2020, **the Organization** has financial assets of \$447,716.24 in cash, with \$178,817.61 subject to donor restrictions and a remaining balance of \$268,898.63 which could be made readily available within one year of the statement of financial position date to meet general expenditures. As a part of its liquidity management, the organization has a policy to structure its financial assets to be made available as general expenditures, liabilities, and other obligations become due.

L. RECENT ACCOUNTING PRONOUNCEMENT – ADOPTED

In August 2016, the FASB issued ASU 2016-14, Not for Profit entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and lack of consistency in the type of information provided about expenses and investment return. **The Organization** implemented ASU 2016-14 and has adjusted the presentation of these financial statements accordingly. The ASU has been applied retrospectively to the period presented which resulted in no reclassification of net assets.

NOTE 2 – CASH

At September 30, 2020, the **Organization** has cash (book balance) totaling \$447,716.24, which is in noninterest-bearing demand accounts. The deposits are stated at costs, which approximate market and were fully secured by federal deposit insurance.

NOTE 3 - REIMBURSEMENTS RECEIVABLE

Accounts receivable represents reimbursements due from the Louisiana Department of Education for meals served during the month of September 30, 2020.

Provider Reimbursement Receivable	\$ 724,113.35
Administrative Reimbursement Receivable	89,491.00
Total Reimbursements Receivable	<u>\$ 813,604.35</u>

VAN'S KIDDIE CARE CORPORATION

Notes to Financial Statements

For the Year Ended September 30, 2020

NOTE 4 – EQUIPMENT

At September 30, 2020, the costs of office furniture and equipment were as follows:

	Purchased With Federal Funds			Balance September 30, 2020
	Balance October 1, 2019	Additions	Deletions	
Assets, being depreciated				
Office furniture and equipment	\$205,648.39	\$68,401.25		\$274,049.64
Total assets, being depreciated	<u>205,648.39</u>		-	<u>274,049.64</u>
Less accumulated depreciation for:				
Office furniture and equipment	190,471.07		4,889.19	195,360.26
Total accumulated depreciation	<u>190,471.07</u>			<u>195,360.26</u>
Total assets, being depreciated, net	<u>\$15,177.32</u>	<u>\$68,401.25</u>	<u>\$4,889.19</u>	<u>\$78,689.38</u>

Depreciation expense totaled \$4,889.19 for the year ended September 30, 2020.

NOTE 5 - CONCENTRATION OF REVENUES

The Organization receives a large amount of its revenue from one major source, the Louisiana Department of Education. Revenue of the program is based on the number of meals served by providers to children at the approved meal rate. Meal rates are determined on July 1 of each year by the Louisiana Department of Education. Meals served and approved meal rates are reported in the *Schedule of Meals Served and Program Reimbursements*. The revenue from this source represents approximately 98% of **the Organization's** total revenues during the year ended September 30, 2020.

NOTE 6 – LOANS PAYABLE

On May 15, 2020, **the Organization** received a \$136,106.00 loan from Community First Bank under the Paycheck Protection Program (PPP) of the U. S. Small Business Administration (SBA). Interest on the loan is 1%. Management expects that all expenditures paid from the loan proceeds will be approved as eligible for loan forgiveness under the requirements of the PPP.

VAN'S KIDDIE CARE CORPORATION
Notes to Financial Statements
For the Year Ended September 30, 2020

NOTE 7 - DUE TO PROVIDERS

Due to providers represents amounts owed to providers for the cost of meals served during the month of August and September 2020.

NOTE 8 - BOARD OF DIRECTORS

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

NOTE 9 - BOARD DESIGNATION OF ASSETS

At September 30, 2020, **the Organization's** Board has not designated any portion of net assets for specific purposes.

NOTE 10- SUBSEQUENT EVENTS

Management is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. Management performed such an evaluation through March 22, 2021 the date that the financial statements were available to issue. On November 4, 2020, Community First Bank reported to management of **the Organization** that the Small Business Administration (SBA) had favored the institution with the full balance of the Paycheck Protection Program (PPP) loan of \$136,106.00, including accrued interest to date of \$650.28.

**INDEPENDENT AUDITOR'S REPORTS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND *UNIFORM GUIDANCE***

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

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

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 United States the financial statements of **Van's Kiddie Care Corporation (the Organization)** which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated March 22, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **the Organization's** internal control over financial reporting (internal control) to determine the 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 the **Organization's** internal control. Accordingly, I do not express an opinion on the effectiveness of the **Organization's** internal control.

A *deficiency in internal controls* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of 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 of 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **the Organization'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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.

Roslyn J. Johnson, LLC

Roslyn J. Johnson, LLC
Baton Rouge, Louisiana
March 22, 2021

Roslyn J. Johnson, LLC
Certified Public Accountant

**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 Directors
Van's Kiddie Care Corporation
New Iberia, Louisiana

Report on Compliance for Each Major Federal Program

I have audited the compliance of **Van's Kiddie Care Corporation (the Organization)** with the types of compliance requirements described in the U. S. Office of Management and Budget OMB Compliance Supplement that could have a direct material effect on each major federal program for the year ended September 30, 2020. **The Organization's** major federal program is 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 the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for the **Organizations'** major federal program 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 the **Organization'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 the **Organization's** compliance.

Opinion on Each Major Federal Program

In my opinion, **Van's Kiddie Care Corporation** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of **the Organization** 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 **the Organization's** internal control over compliance with the types of compliance requirements that could have a direct and material effect on a 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 for the purpose of expressing my opinion on compliance, 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 **the Organization'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 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of This Report

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. This information is intended for the information and use of management, the Legislative Auditor for the State of Louisiana, state and federal awarding agencies and is not intended to be and should not be used by anyone other than those specific parties. Accordingly, this report is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.

Roslyn J. Johnson, LLC

Roslyn J. Johnson, LLC
Baton Rouge, Louisiana
March 22, 2021

Roslyn J. Johnson, LLC
Certified Public Accountant

VAN'S KIDDIE CARE CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Name	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures September 30, 2020
U. S. Department of Agriculture: Pass-through program from: Louisiana Department of Education - Child and Adult Care Food Program (FDCHP)	10.558	N/A	\$ <u>8,900,216.63</u>

Notes to Schedule of Expenditures of Federal Awards:

Note 1 - Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. Accrued Reimbursement

Federal awards are on a cost reimbursement basis.

C. Federal Indirect Cost Rate

Van's Kiddie Care, Inc. did not elect to use the 10% de minimis federal indirect cost rate for the year ended September 30, 2020.

D. Subrecipients

Van's Kiddie Care, Inc. did not provide federal funds to any subrecipients during the year ended September 30, 2020.

The accompanying notes are an integral part of this schedule

VAN'S KIDDIE CARE CORPORATION
Schedule of Findings and Questioned Costs
Year Ended September 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Audit

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

Audit of Federal Awards

Internal control over major programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.	_____ Yes	_____ X	_____ No
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Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

10:558

Child and Adult Care Food Program (FDCHP)

The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000

Auditee qualified as a low-risk auditee?	_____ X	_____ Yes	_____ No
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VAN'S KIDDIE CARE CORPORATION
Schedule of Findings and Questioned Costs
Year Ended September 30, 2020

SECTION II - FINANCIAL STATEMENT AUDIT

No findings or questioned costs for the year ended September 30, 2020.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL

No findings or questioned costs for the year ended September 30, 2020.

VAN'S KIDDIE CARE CORPORATION
Schedule of Prior Findings and Questioned Costs
Year Ended September 30, 2020

No findings or questioned costs for the year ended September 30, 2019.

SUPPLEMENTARY INFORMATION SCHEDULES

VAN'S KIDDIE CARE CORPORATION

Schedule 1

**Audited Statement of Claims
Year Ended September 30, 2020**

REIMBURSEMENTS RECEIVED

Administrative	\$ 1,034,580.00
Program	<u>7,865,636.63</u>
Total	<u><u>\$ 8,900,216.63</u></u>

REIMBURSEMENTS ALLOWABLE

Administrative	\$ 1,034,580.00
Program	<u>7,865,636.63</u>
Total	<u><u>\$ 8,900,216.63</u></u>

OVER (UNDER) CLAIM

Administrative	NONE
Program	<u>NONE</u>

TOTAL OVER (UNDER) CLAIMED

<u><u>NONE</u></u>

VAN'S KIDDIE CARE CORPORATION

Schedule 2

**Schedule of Administrative Reimbursement Allowable
Year Ended September 30, 2020**

A. Actual Administrative Expenses	<u>\$ 1,158,578.96</u>
B. Administrative Reimbursement (Home x Rates)	<u>\$ 1,034,580.00</u>
C. Approved Administrative Budget with FY 2019 Carryover	<u>\$ 1,235,987.39</u>
D. Administrative Reimbursement Allowed	<u>\$ 1,034,580.00</u>
E. Administrative Reimbursement Received	<u>\$ 1,034,580.00</u>

VAN'S KIDDIE CARE CORPORATION

Schedule 3

**Schedule of Monetary Claims and Questioned Costs
Year Ended September 30, 2020**

ADMINISTRATIVE REIMBURSEMENT

Administrative overclaim

NONE

PROGRAM REIMBURSEMENT

Meal counts and attendance

NONE

Total Overclaim

NONE

VAN'S KIDDIE CARE CORPORATION

Schedule 4

**Schedule of Meals Served and Program Reimbursement
Year Ended September 30, 2020**

OCTOBER 1, 2019 TO JUNE 30, 2020

	<u>BREAKFAST</u>	<u>LUNCH</u>	<u>SUPPLEMENT</u>	<u>SUPPER</u>	<u>TOTAL</u>
Number of meals claimed	285,591	654,416	1,098,469	1,117,689	3,156,165
Less: Meals adjustments refund by sponsor					
Net meals allowed	285,591	654,416	1,098,469	1,117,689	3,156,165
Reimbursement rate	1.3300	2.4900	0.7400	2.4900	
Reimbursement based on rate	\$ 379,836.03	\$ 1,629,495.84	\$ 812,867.06	\$ 2,783,045.61	\$ 5,605,244.54

JULY 1, 2020 TO SEPTEMBER 30, 2020

	<u>BREAKFAST</u>	<u>LUNCH</u>	<u>SUPPLEMENT</u>	<u>SUPPER</u>	<u>TOTAL</u>
Number of meals claimed	28,209	342,500	387,476	392,730	1,150,915
Less: Meals refunded by sponsor					
Net meals allowed	28,209	342,500	387,476	392,730	1,150,915
Reimbursement rate	1.3900	2.6100	0.7800	2.6100	
Reimbursement based on rate	\$ 39,210.51	\$ 893,925.00	\$ 302,231.28	\$ 1,025,025.30	\$ 2,260,392.09

TOTAL MEALS CLAIMED 313,800 996,916 1,485,945 1,510,419 4,307,080

TOTAL NET MEALS ALLOWED 313,800 996,916 1,485,945 1,510,419 4,307,080

PROGRAM REIMBURSEMENT CLAIMED \$ 419,046.54 \$ 2,523,420.84 \$ 1,115,098.34 \$ 3,808,070.91 \$ 7,865,636.63

PROGRAM REIMBURSEMENT ALLOWED \$ 419,046.54 \$ 2,523,420.84 \$ 1,115,098.34 \$ 3,808,070.91 \$ 7,865,636.63

MEALS OVERCLAIMED AND REFUNDED TO STATE

NONE

**Schedule of Compensation, Benefits and Other Payments
to Chief Operating & Financial Officer
Year Ended September 30, 2020**

KEITH BOWLES, CHIEF FINANCIAL AND OPERATING OFFICER

PURPOSE	AMOUNT
Salary	\$ 81,081.28
Benefits - retirement	5,027.03
Benefits-insurance	1,175.67
Disability Insurance	1,408.68
Workers Compensation	<u>210.81</u>
TOTAL	<u><u>\$ 88,903.47</u></u>