

NUTRITION EDUCATION SERVICES, INC.
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019

Minda B. Raybourn

Certified Public Accountant
Limited Liability Company

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402

wrcpa@huntbrothers.com

NUTRITION EDUCATION SERVICES, INC.

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019**

Independent Auditor’s Report	3
FINANCIAL STATEMENTS	
Statement of Financial Position	6
Statement of Activities	7
Statement of Cash Flows	8
Statement of Functional Expenses.....	9
NOTES TO FINANCIAL STATEMENTS.....	11
REQUIRED SUPPLEMENATARY INFORMATION	
Schedule of Expenditures of Federal Awards.....	17
Schedule of Compensation, Benefits, and Other Payments to Agency Head.....	18
SUPPLEMENTARY INFORMATION	
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	20
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	22
Independent Auditor’s Report on Claims for Reimbursement	25
Audited Statement of Claims	26
Schedule of Meals Served and Program Reimbursements	27
Schedule of Findings and Questioned Costs.....	28
Summary Schedule of Prior Year Findings	29

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@huntbrothers.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Nutrition Education Services, Inc.
PO Box 5280
Slidell, LA 70469

Report on the Financial Statements

I have audited the accompanying financial statements of Nutrition Education Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, 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 Nutrition Education Services, Inc., as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The information in the audited statement of claims and schedule of meals served and program reimbursements as required by the Louisiana Department of Education and the schedule of compensation, benefits, and other payments to the agency head is also presented for purposes for additional analysis and is not part of the required financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued my report dated February 29, 2020, on my consideration of Nutrition Education Services, Inc.'s, internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nutrition Education Services, Inc.'s, internal control over financial reporting and compliance.



Franklinton, LA
February 29, 2020

FINANCIAL STATEMENTS

NUTRITION EDUCATION SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019

ASSETS	<u>Administrative</u>	<u>General</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 168,682	\$ 26,170	\$ 194,852
Due from Department of Education	116,535	-	116,535
Due from General Fund	8,361	-	8,361
Total Current Assets	<u>293,578</u>	<u>26,170</u>	<u>319,748</u>
TOTAL ASSETS	<u>293,578</u>	<u>26,170</u>	<u>319,748</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	250	-	250
Due to providers	249,283	-	249,283
Withholding taxes payable	4,979	-	4,979
Accrued salaries payable	-	-	-
Due to Administrative Fund	-	8,361	8,361
Total Current Liabilities/Total Liabilities	<u>254,512</u>	<u>8,361</u>	<u>262,873</u>
Net Assets (Deficit)			
With donor restrictions	-	-	-
Without donor restrictions	39,066	17,809	56,875
Total Net Assets (Deficit)	<u>39,066</u>	<u>17,809</u>	<u>56,875</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 293,578</u>	<u>\$ 26,170</u>	<u>\$ 319,748</u>

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

NUTRITION EDUCATION SERVICES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019

UNRESTRICTED NET ASSETS	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND OTHER GAINS			
Administrative reimbursement	\$ -	\$ 292,201	\$ 292,201
Provider reimbursement	-	1,507,139	1,507,139
Other income	1,095	-	1,095
Fundraising	-	4,625	4,625
Net assets released from donor restrictions	1,803,965	(1,803,965)	-
Total support and other gains	<u>1,805,060</u>	<u>-</u>	<u>1,805,060</u>
EXPENSES			
Program services	1,507,139	-	1,507,139
Supporting services	305,454	-	305,454
Fundraising expenses	1,106	-	1,106
Other expenses	209	-	209
Total expenses	<u>1,813,908</u>	<u>-</u>	<u>1,813,908</u>
CHANGE IN NET ASSETS	<u>(8,848)</u>	<u>-</u>	<u>(8,848)</u>
NET ASSETS (DEFICIT), BEGINNING	<u>65,723</u>	<u>-</u>	<u>65,723</u>
NET ASSETS (DEFICIT), ENDING	<u>\$ 56,875</u>	<u>\$ -</u>	<u>\$ 56,875</u>

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

NUTRITION EDUCATION SERVICES, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from administrative reimbursements	\$ 294,555
Cash received from program reimbursements	1,652,067
Cash received from fundraising efforts & other	5,720
Cash paid for program expenses	(1,519,167)
Cash paid to or on behalf of employees for services	(237,204)
Cash paid to suppliers for goods and services	<u>(70,600)</u>
Net cash used for operating services	<u>125,371</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
CASH AND CASH EQUIVALENTS, BEGINNING	69,481
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 194,852</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED FOR OPERATING ACTIVITIES	\$ (8,848)
Adjustments to reconcile change in net assets to net cash used for operating activities	
(Increase) decrease in assets:	
Due from Department of Education	148,422
Increase (decrease) in liabilities:	
Accounts payable	(2,454)
Due to providers	(12,028)
Withholding taxes payable	279
NET CASH PROVIDED (USED) FOR OPEARTING ACTIVITIES	<u>\$ 125,371</u>

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

NUTRITION EDUCATION SERVICES, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
ADMINISTRATIVE FUND
YEAR ENDED SEPTEMBER 30, 2019

<u>ACCOUNT</u>	<u>PROGRAM</u>	<u>SUPPORTING</u>	<u>GENERAL</u>	<u>FUNDRAISING</u>
Accounting	\$ -	\$ 3,575	\$ -	\$ -
Contract interpretation	-	2,760	-	-
Contract labor	-	3,050	-	-
Bank charges	-	1,086	-	-
Direct Deposit Fees	-	216	-	-
Dues	-	420	-	-
Equipment rental	-	1,483	-	-
Fundraising	-	-	-	1,106
Insurance	-	3,666	-	-
Fire inspection	-	750	-	-
Auditor	-	4,135	-	-
Minute Menu	-	6,649	-	-
Office and lawn maintenance	-	2,412	-	-
Office expenses	-	15,207	-	-
Other	-	55	-	-
Postage	-	4,067	-	-
Provider payments/support	1,507,139	-	-	-
Salaries	-	216,204	-	-
Payroll taxes	-	15,857	-	-
Employee benefits	-	5,400	-	-
Telephone	-	3,070	-	-
Staff training	-	417	-	-
Provider training	-	620	-	-
Travel	-	8,633	-	-
Utilities	-	5,722	209	-
TOTAL FUNCTIONAL EXPENSES	\$ 1,507,139	\$ 305,454	\$ 209	\$ 1,106

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

NOTES TO FINANCIAL STATEMENTS

NUTRITION EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Family Day Care Home Program of Nutrition Education Services, Inc. (hereafter referred to as the Organization), was established to provide supervised provisions of meals. It serves an average of 270 homes per month to primarily low-income, disabled, elderly or other disadvantaged residents of St. Tammany and surrounding 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 the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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

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

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

Measure of operations

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and 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 the collection is expected at 100%, an allowance for doubtful accounts has not been recorded.

NUTRITION EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2019

Inventory

Inventory is stated 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 are 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 \$500 or greater is generally capitalized. Donations of property 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. There were no advertising expenses paid during the year.

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.

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.

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.

The federal income tax returns of the company for fiscal years 2016, 2017, 2018 and 2019 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

NUTRITION EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 2-AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at September 30, 2019:

Financial assets at year end:	
Cash and cash equivalents	\$ 194,852
Accounts receivable	<u>116,535</u>
Total financial assets available for use over the next 12 months.	<u><u>\$ 311,387</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	\$ 194,852
-----------------	------------

Of this amount, \$168,682 is maintained in the administrative and provider accounts to be utilized for the family day care home program. The remaining funds of \$26,170 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, 2019.

Receivables at year-end consist of the following:

Due from Department of Education	\$ 116,535
----------------------------------	------------

NUTRITION EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 5 - ACCOUNTS AND OTHER PAYABLES

Payables at year-end include the following:

Accounts payable	\$ 250
Payables to providers	249,283
Withholding taxes payable	4,979
Total	<u><u>\$ 254,512</u></u>

NOTE 6 - RESTRICTIONS ON NET ASSETS

Substantially all of the restrictions on net assets relate to amounts requested from the State of Louisiana, Department of Education for reimbursement to the providers of meals through the Family Day Care Home Program of the U.S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226. The amount due to providers requested but not yet received at year end has been accrued in the accompanying financial statements and is listed in the note above.

NOTE 7 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose during the year as follows:

Purpose restriction accomplished:	
Meals provided	\$1,507,139

NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the program and supporting services have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated between the program and support services.

NUTRITION EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 9 - CONCENTRATIONS

Cash and Cash Equivalents. Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2019, the Organization did not have bank balances in excess of FDIC insured limits.

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.

NOTE 10 - LITIGATION

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

NOTE 11- SUBSEQUENT EVENTS

There were no subsequent events between the close of the fiscal year and February 29, 2020, the date on which the financial statements were available to be issued, that would materially impact the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**NUTRITION EDUCATION SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
---	------------------------	---------------------------------

Major Programs

US Department of Agriculture Food and Nutrition Services Child and Adult Day Care Food Program	10.558	
--	--------	--

Family Day Care Home Program

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

Program services: meals/snacks	\$ 1,507,139
Supporting services	<u>305,454</u>
Total federal award expenditures	<u>\$ 1,812,593</u>

**Notes to Schedule of Expenditures of Federal Awards
Year ended September 30, 2019**

Basis of Presentation

This schedule of expenditures of federal awards includes the federal grant activity of the Family Day Care Home Program and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the basic financial statements.

Indirect Cost Rate

Nutrition Education Services, Inc., has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Subrecipients

There was no awards passed through to sub-recipients.

See Independent Auditor's Report.

**SCHEDULE OF PAYMENTS OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD**

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Agency Head: Nena Cittadino, Executive Director

Compensation	69,534
FICA	5,319
Health Insurance	1,800
Travel-Monitoring Visits	<u>236</u>
Total	<u><u>76,890</u></u>

See Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@huntbrothers.com

Member
AICPA

Member
LCPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Nutrition Education Services, Inc.
PO Box 5280
Slidell, LA 70469

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 Nutrition Education Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated February 29, 2020.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, we considered Nutrition Education Services, Inc.'s, internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nutrition Education Services, Inc.'s, internal control. Accordingly, I do not express an opinion on the effectiveness of Nutrition Education Services, Inc.'s, internal control.

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

My consideration of 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 our 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 Nutrition Education Services, Inc.'s, financial statements are free from material misstatement, we 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 our 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor, and federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Minda Raybourn CPA
Franklinton, LA
February 29, 2020

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@franklinton.net

Member
AICPA

Member
LCPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of
Nutrition Education Services, Inc.

Report on Compliance for Each Major Federal Program

I have audited Nutrition Education Services, Inc.'s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Nutrition Education Services, Inc.'s, major federal programs for the year ended September 30, 2019. Nutrition Education Services, Inc.'s, major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Nutrition Education Services, Inc.'s, major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require

that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Nutrition Education Services, Inc.'s, compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Nutrition Education Services, Inc.'s, compliance.

Opinion on Each Major Federal Program

In my opinion, Nutrition Education Services, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year.

Report on Internal Control Over Compliance

Management of Nutrition Education Services, Inc., is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Nutrition Education Services, Inc.'s, internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Nutrition Education Services, Inc.'s, internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Minda Raybourn". The signature is written in black ink on a light-colored background.

Minda Raybourn, CPA
Franklinton, LA
February 29, 2020

**MINDA RAYBOURN CPA LLC
820 11TH AVE
FRANKLINTON, LA 70438**

INDEPENDENT AUDITOR'S REPORT ON CLAIMS FOR REIMBURSEMENT

To the Board of Trustees of
Nutrition Education Services, Inc.

I have examined the accompanying claims for reimbursements (Audited Statements of Claims attached) submitted by the Family Day Care Home Program of Nutrition Education Services, Inc., under the FDCH program. My examination was made in accordance with auditing standards established by the American Institute of Certified Public Accountants and with generally accepted government auditing standards established by the Comptroller General of the United States and included tests of programs and accounting records prescribed by the USDAOIG guide for audits of this program. In my opinion, the aforementioned claims present fairly the number of meals or supplements eligible for reimbursement for the period October 1, 2018, through September 30, 2019.



Minda Raybourn, CPA
Franklinton, LA
February 29, 2020

**NUTRITION EDUCATION SERVICES, INC.
AUDITED STATEMENT OF CLAIMS
YEAR ENDED SEPTEMBER 30, 2019**

REIMBURSEMENT PER AUDIT

Administrative	292,201
Program-meals	<u>1,507,139</u>
Total reimbursement per audit	<u><u>1,799,340</u></u>

REIMBURSEMENTS CLAIMED AND RECEIVED

Administrative	292,201
Program-meals	<u>1,507,139</u>
Total reimbursement claims and received	<u><u>1,799,340</u></u>

(OVER) UNDER CLAIM (0)

See independent auditor's report.

NUTRITION EDUCATION SERVICES, INC.
SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS
YEAR ENDED SEPTEMBER 30, 2019

MEALS SERVED	NUMBER SERVED BY MEAL TYPE				
	BREAKFAST	LUNCH	SUPPLEMENTS	SUPPER	TOTAL
From October 1, 2018 through June 30, 2019					
Tier 1	94,874	132,553	229,047	200,412	656,886
Reimbursement rate	1.31	2.46	0.73	2.46	
Sub-total Tier 1	124,285	326,080	167,204	493,014	1,110,583
From October 1, 2018 through June 30, 2019					
Tier 2	20	18	20	-	58
Reimbursement rate	0.48	1.48	0.20	1.48	
Sub-total Tier 2	10	27	4	-	40
Total for period	124,295	326,107	167,208	493,014	1,110,623
From July 1, 2019 through September 30, 2019					
Tier 1	26,372	53,526	78,458	68,314	226,670
Reimbursement rate	1.33	2.49	0.74	2.49	
Total for period	35,075	133,280	58,059	170,102	396,515
From July 1, 2019 through September 30, 2019					
Tier 2	-	-	-	-	-
Reimbursement rate	0.48	1.48	0.20	1.48	
Sub-total Tier 2	-	-	-	-	-
Total for period	35,075	133,280	58,059	170,102	396,515
TOTAL MEALS SERVED	121,266	186,097	307,525	268,726	883,614
NET REIMBURSEMENT	159,369	459,387	225,267	663,115	1,507,139

See independent auditor's report.

NUTRITION EDUCATION SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Nutrition Education Services Inc., were prepared in accordance with generally accepted accounting principles.
2. No material weaknesses or significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Nutrition Education Services, Inc., were disclosed during the audit.
4. No significant deficiencies or material weaknesses were identified during the audit of the major federal award program.
5. The auditor's report on compliance for the United States Department of Agriculture Child and Adult Care Food Program (CACFP) expresses an unmodified opinion.
6. The program tested as a major program was the United States Department of Agriculture Child and Adult Care Food Program (CACFP) (CFDA 10.558).
7. The threshold for the distinguishing Types A and B programs is as follows:

Type A- \$750,000 or more of federal awards expended
Type B- Any program that does not meet the threshold of Type A programs.
8. For the period ending September 30, 2019, Nutrition Education Services, Inc., was determined not to be a low-risk auditee.

FINDINGS-FINANCIAL STATEMENTS

None

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM

None

MANAGEMENT LETTER

None

**NUTRITION EDUCATION SERVICES, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2018**

FINDINGS-FINANCIAL STATEMENTS

None

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM

None

MANAGEMENT LETTER

None

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@huntbrothers.com

Member
AICPA

Member
LCPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

March 8, 2020

To the Board of Trustees
Nutrition Education Services, Inc.
PO Box 196
Slidell, LA 70469
And Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Nutrition Education Services, Inc. (Entity) and the Louisiana Legislative Auditor (LLA), solely to assist users in evaluating management's assertions about the entity's internal controls and compliance with certain laws and regulations during the period of October 1, 2018 through September 30, 2019, in accordance with Required Act 774 permitted under Louisiana Revised Statute 24:513. Management of the entity is responsible for the financial records, establishing internal controls over financial reporting and compliance with applicable laws and regulations. This agreed upon procedures engagement was performed in accordance established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Board (or Finance Committee, if applicable) for Nonprofit Entity (follow-up)

1. Obtain and inspect the entity's written policies and procedures over budgeting and observe that they address preparing, adopting, monitoring, and amending the budget.

The entity's financial management plan contains budgeting policies and procedures for preparing, adopting, monitoring, and amending the budget.

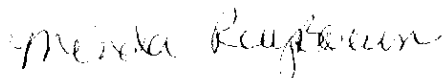
Credit Cards/Debit Cards/Fuel Cards/P-Cards (follow-up)

1. Obtain and inspect the entity's written policies and procedures over credit cards, bank debit cards, fuel cards, and P-cards (cards) and observe that they address the following:
 - a) How cards are to be controlled, including procedures for lost cards and approval required to open an account.

The entity's financial management plan contains policies and procedures are how cards are to be controlled, including procedures for lost cards and approval required to open an account.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion. 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.

The purpose of this report is solely for the use of management of Nutrition Education Services, Inc., and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency for the procedures for their purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Franklinton, LA
March 8, 2020