

St. Johns Little Lambs Day Care Center, Inc.

FINANCIAL STATEMENTS AND
ACCOUNTANTS' COMPILATION REPORT

May 31, 2024

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ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
St. Johns Little Lambs Day Care Center, Inc.
Lake Charles, Louisiana

Management is responsible for the accompanying financial statements of St. Johns Little Lambs Day Care Center, Inc., (Day Care) (nonprofit organization), which comprise the statement of financial position as of May 31, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The Day Care has fixed assets, in accordance with accounting principles generally accepted in the United States of America, that should be presented as assets and depreciated over the useful life. Management has informed us that they do not maintain a depreciation schedule to properly present the fixed assets. Management has not determined the effect of this departure on the financial statements.

The Day Care has not presented information about expenses reported by their functional classifications in the statement of activities or the notes to the financial statements. The Day Care has not presented information regarding the defined benefit pension plan in accordance with generally accepted accounting principles.

Supplementary Information

The supplemental schedule of expenses and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.



Lake Charles, Louisiana
November 5, 2024

St. Johns Little Lambs Day Care Center, Inc.
STATEMENT OF FINANCIAL POSITION
May 31, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 188,021
Receivables	
Tuition	5,888
Due from employee	81
Total Receivables	5,969
Total Current Assets	193,990

TOTAL ASSETS **\$ 193,990**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 4,203
Payroll Liabilities	17,260
Total Current Liabilities	21,463

NET ASSETS

Without donor restrictions	172,527
With donor restrictions	-
Total Net Assets	172,527

TOTAL LIABILITIES AND NET ASSETS **\$ 193,990**

See accompanying notes and accountants' report

St. Johns Little Lambs Day Care Center, Inc.
STATEMENT OF ACTIVITIES
For the year ended May 31, 2024

	Without Donor <u>Restrictions</u>	With Donor Restrictions	<u>Total</u>
Revenue, Support, and Gains			
Tuition	\$ 506,705	\$ -	\$ 506,705
Childcare Assistance Program	64,810	-	64,810
Grant Revenue	-	56,978	56,978
Interest	11	-	11
	<u>571,526</u>	<u>56,978</u>	<u>628,504</u>
Total Revenue and Gains			
Net Assets Released from Restrictions	123,440	(123,440)	-
	<u>694,966</u>	<u>(66,462)</u>	<u>628,504</u>
Total Revenue, Support, and Gains			
 Expenses			
Personnel and Benefits	568,301	-	568,301
Operational	81,269	-	81,269
Occupancy	52,022	-	52,022
Building and Maintenance	97,619	-	97,619
	<u>799,211</u>	<u>-</u>	<u>799,211</u>
Total Expenses			
Increase (Decrease) in Net Assets	(104,245)	(66,462)	(170,707)
 Net Assets at Beginning of Year	<u>276,772</u>	<u>66,462</u>	<u>343,234</u>
 Net Assets at End of Year	<u>\$ 172,527</u>	<u>\$ -</u>	<u>\$ 172,527</u>

See accompanying notes and accountants' report

St. Johns Little Lambs Day Care Center, Inc.
STATEMENT OF CASH FLOWS
For the year ended May 31, 2024

Cash Flows from Operating Activities	
Change in Net Assets	\$ (170,707)
Adjustments to reconcile change in Net Assets	
Decrease (Increase) in operating assets	
Accounts receivable	452
Increase (Decrease) in operating liabilities	
Accounts payable	4,203
Payroll Liabilities	14,073
Total Adjustments	<u>18,728</u>
Net Cash Used by Operating Activities	(151,979)
Cash - Beginning of Year	<u>340,000</u>
Cash - End of Year	<u><u>\$ 188,021</u></u>

See accompanying notes and accountants' report

St. Johns Little Lambs Day Care Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2024

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of St. Johns Little Lambs Day Care Center, Inc. (the Day Care) is presented to assist in understanding the Day Care's financial statements.

Nature of Operations

St. Johns Little Lambs Day Care Center, Inc. is a branch of St. John Lutheran Church (the Church), organized as a not-for-profit organization with the State of Louisiana in 1980. The Day Care's purpose is to provide childcare to members and non-members in the surrounding community that is focused on Christian values and beliefs. The Day Care is an additional outlet for the Church to spread the Gospel throughout the community.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Financial Statement Presentation

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset categories:

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 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.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Day Care considers all short-term investments with an original maturity of one year or less when purchased to be cash equivalents.

Accounts Receivables

Accounts receivable are stated at unpaid balances. Management believes all balances are fully collectible.

St. Johns Little Lambs Day Care Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

May 31, 2024

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Tuition and grant revenue is recorded when earned. Revenue that is restricted is reported as increases in net assets without donor restrictions if the restriction expires in the fiscal year in which the contributions are recognized. All other restricted revenue is reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Tuition is paid weekly or monthly as specified in the attendance agreement. Tuition rates vary depending on attendance – full day or half day and days of the week. Discounts are offered for multi-child families.

Childcare Assistance Program funds are received from the Louisiana Department of Education for qualifying tuition assistance based on eligibility requirements.

American Rescue Plan Act (ARPA) Stabilization Grants were issued to assist child care providers in response to issues arising as a result of COVID 19. The grants were paid based on the Day Care’s licensed capacity. The funds can be used to recover past financial losses and to pay for current operating expenses. The Day Care received \$56,978 of American Rescue Plan Act Stabilization Grants to be spent on operating expenses and is included as restricted revenue for the year ending May 31, 2024.

Tax Exempt Status

As a branch of St. John Lutheran Church, the Day Care is exempt from federal income taxes under Internal Revenue Code 501(c)(3). Unrelated business income, of which there was none for the year ended May 31, 2024, would be subject to federal income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

NOTE B RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions for the year ended May 31, 2024 were as follows:

Specific Purpose - ARPA Grant - Program related expenditures	\$	=
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St. Johns Little Lambs Day Care Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

May 31, 2024

NOTE C LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Day Care regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The following reflects the Day Care’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets available to meet cash needs for general expenditures within one year of May 31, 2024:

Cash and cash equivalents	\$188,021
Receivables	<u>5,969</u>
Financial assets at year-end	193,990
Less those unavailable for general expenditures within one year due to:	
Donor-restricted to program related expenditures	<u> -</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$193,990</u>

NOTE D RELATED PARTIES

The Day Care operates as a branch of the Church. The Day Care facility is owned by the Church. The Day Care pays rent on a month to month basis and reimburses the Church monthly for expenses paid on their behalf. Total payments to the Church for the year ended May 31, 2024 were as follows:

Employee benefits	\$43,252
Accounting support	19,320
Occupancy - Rent	12,000
Occupancy - Insurance	30,000
Operational	33,573
Building and Maintenance	<u>21,617</u>
	<u>\$159,762</u>

NOTE E COMPENSATED ABSENCES

Annual leave is available to year-round employees for a maximum of 2 weeks per year depending on years of service. Three days sick leave per year is available to all employees. Annual and sick leave is expensed when paid. All leave is non-cumulative.

St. Johns Little Lambs Day Care Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS – (continued)

May 31, 2024

NOTE F CONCENTRATIONS

The Day Care maintains its cash accounts in a commercial bank. Accounts at the commercial bank are insured by the FDIC insurance up to \$250,000. As of May 31, all cash balances were insured.

The Day Care receives a substantial amount of support from the Church. A significant reduction in this support, if it were to occur, would affect the Day Care’s programs and activities.

NOTE G DEFINED BENEFIT PLAN

The Day Care participates in a defined benefit pension plan (the Plan) covering employees serving The Lutheran Church – Missouri Synod (Synod) whose customary employment is for over 20 hours per week and at least five months per year. The Plan excludes temporary, probationary, and part-time workers. Employer contributions rates are established by the Board of Trustees to fund benefits earned under the Plan provisions. Pension benefits are generally calculated based on the worker’s salary, creditable service, and integration level. This benefit is fully vested after five years of creditable service. The Day Care’s funding policy is to make the minimum monthly contribution required by applicable regulations. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. The total Plan contributions by the Day Care remitted to the Church during the year ending May 31, 2024 were \$11,188.

Church plan status exempts the Plan from certain provisions of the Employee Retirement Income Security Act of 1974. The following table sets forth further information about the total Pension Plan included in the Concordia Retirement Plan audit report as of December 31, 2023:

Pension Plan obligations and funded status (in thousands):

Projected benefit obligation at December 31	\$4,574,573
Net assets available for benefits at fair value at December 31	\$3,965,270

NOTE H SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 5, 2024, which is the date the financial statements were available to be issued.

St. Johns Little Lambs Day Care Center, Inc.
SUPPLEMENTAL SCHEDULE OF EXPENSES
For the year ended May 31, 2024

Personnel and Benefits	
Salaries	\$ 487,288
Payroll taxes	37,245
Employee benefits	<u>43,768</u>
Total Personnel and Benefits	568,301
Operational	
Groceries	22,324
Supplies	16,268
Professional	20,760
Office expense	<u>21,917</u>
Total Operational	81,269
Occupancy	
Rent	12,000
Insurance	30,000
Utilities	<u>10,022</u>
Total Occupancy	52,022
Building and Maintenance	<u>97,619</u>
Total Expenses	<u><u>\$ 799,211</u></u>

See accompanying notes and accountants' report

St. Johns Little Lambs Day Care Center, Inc.

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the Year ended May 31, 2024

AGENCY HEAD NAME: Rebecca Yelverton, Executive Director

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$62,121
Benefits	
Insurance	19,668
Retirement	5,188
Payroll Taxes	<u>4,752</u>
TOTAL	<u><u>\$91,729</u></u>