

VAN'S KIDDIE CARE CORPORATION

New Iberia, Louisiana

FINANCIAL REPORT

SEPTEMBER 30, 2023

Roslyn J. Johnson, LLC
Certified Public Accountant

VAN'S KIDDIE CARE CORPORATION

New Iberia, Louisiana

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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 Audit of Financial Statements

Opinion

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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of **Van's Kiddie Care Corporation** as of September 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of **Van's Kiddie Care Corporation** and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Van's Kiddie Care Corporation's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing the audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 **Van's Kiddie Care Corporation's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Van's Kiddie Care Corporation's** ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments, on page 14, and schedules of audited claims pages 15 to 16 are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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* on page 23, is presented for purposes of additional analysis and is 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, these schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 15, 2024, on my consideration of **Van's Kiddie Care Corporation's** internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of **Van's Kiddie Care Corporation's** 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 **Van's Kiddie Care Corporation's** internal control over financial reporting and compliance.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Roslyn J. Johnson, LLC

Baton Rouge, Louisiana
March 15, 2024

VAN'S KIDDIE CARE CORPORATION

**Statement of Financial Position
September 30, 2023**

ASSETS

Current Assets

Cash in bank -unrestricted (note 2)	\$ 376,511.14
Cash in bank - restricted (note 2)	210,474.99
Total cash in bank	<u>586,986.13</u>
Reimbursements receivable (note 3)	2,138,854.16
Accounts receivable	45.00
Other assets	900.00
Total current assets	<u>2,726,785.29</u>
Equipment, net (note 4)	<u>69,025.39</u>
TOTAL ASSETS	<u><u>\$ 2,795,810.68</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 10,620.45
Accrued salaries & taxes payable	60,309.16
Due to providers (note 6)	1,894,754.16
Due to Louisiana Department of Education	549.00
Total current liabilities	<u>1,966,232.77</u>
Net Assets	
Without donor restrictions:	788,942.77
Undesignated	
With donor restrictions:	
Family Daycare Home Program	<u>40,635.14</u>
Total net assets	<u>829,577.91</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,795,810.68</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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Federal Financial Assistance through the Louisiana Department of Education:			
Administrative reimbursement		\$ 1,328,403.00	\$ 1,328,403.00
Program reimbursement		10,217,116.16	10,217,116.16
Contributions	\$ 1,781.51		1,781.51
Fundraising	170,809.33		170,809.33
Net assets released from restrictions:			
Restrictions satisfied by payment	11,545,519.16	(11,545,519.16)	-
Total Support and Revenues	<u>11,718,110.00</u>	<u>-</u>	<u>11,718,110.00</u>
Expenses			
Program Services			
Meals served - Providers	10,217,116.16		10,217,116.16
Supporting Services			
Management and general	918,913.98		918,913.98
Professional services	31,898.21		31,898.21
Operational services	271,975.34		271,975.34
Other services	15,216.91		15,216.91
Fund-raising	134,011.79		134,011.79
Total Expenses	<u>11,589,132.39</u>	<u>-</u>	<u>11,589,132.39</u>
Change in Net Assets	128,977.61	-	128,977.61
Net Assets - Beginning of Year	<u>659,965.16</u>	<u>40,635.14</u>	<u>700,600.30</u>
Net Assets - End of Year	<u>\$ 788,942.77</u>	<u>\$ 40,635.14</u>	<u>\$ 829,577.91</u>

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, 2023**

	Program Service Expense	Supporting Services Expense	Fundraising Expenses	Totals
EXPENSES				
Salaries and wages		\$ 694,647.12	\$ 51,176.50	\$ 745,823.62
Payroll taxes		55,402.41	4,022.14	59,424.55
Insurance		59,708.31	-	59,708.31
Retirement plan		83,508.43	-	83,508.43
Travel costs		30,119.46	-	30,119.46
Office costs		66,917.77	-	66,917.77
Staff training		12,191.61	-	12,191.61
Provider training		10,438.18	-	10,438.18
Fundraising supplies		-	14,363.69	14,363.69
Building rent		93,947.20	24,599.54	118,546.74
Telephone		17,099.39	-	17,099.39
Accounting		14,089.08	-	14,089.08
Equipment lease		6,411.41	-	6,411.41
Audit fees		9,000.00	-	9,000.00
Consulting services		3,600.00	-	3,600.00
Janitorial services		14,400.00	-	14,400.00
Computer Services		13,904.23	-	13,904.23
Security		1,858.20	-	1,858.20
Liability insurance		10,380.06	-	10,380.06
Payroll services		5,209.13	1,799.12	7,008.25
Professional Services		-	4,125.00	4,125.00
Depreciation		18,932.58	-	18,932.58
Taxes		-	21,690.03	21,690.03
Utilities		1,022.96	-	1,022.96
Contributions		-	7,990.00	7,990.00
Miscellaneous		15,216.91	4,245.77	19,462.68
Louisiana Department of Education	\$ 549.00	-	-	549.00
CACFP provider payments	10,216,567.16	-	-	10,216,567.16
Total Expenses	\$10,217,116.16	\$1,238,004.44	\$ 134,011.79	\$ 11,589,132.39

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, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 128,977.61
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	18,932.58
(Increase) Decrease in Current Assets	
Reimbursement receivable	(208,640.27)
Accounts receivable	4,625.83
Increase (Decrease) in Current Liabilities	
Accounts payable	(5,879.96)
Due to providers	178,640.27
Due to Louisiana Department of Education	549.00
Funds held for others	(581.50)
Accrued salaries and taxes	<u>(2,277.77)</u>
Net cash provided (used) by operating activities	<u>114,345.79</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisitions of equipment	<u>(28,030.72)</u>
Net cash provided (used) from investing activities	<u>(28,030.72)</u>
Net decrease in cash	86,315.07
CASH AT BEGINNING OF YEAR	<u>500,671.06</u>
CASH AT END OF YEAR	<u><u>\$ 586,986.13</u></u>
Supplemental Disclosure of Cash Flow Information:	
Income taxes paid	<u><u>\$ 21,690.03</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, 2023

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. **Van's Kiddie Care Corporation** operations are funded by three sources of revenue as indicated:

Family Day Care Program – 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.

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

General Services – 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.

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 the Financial Statements
For the Year Ended September 30, 2023

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, 2023 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

Van's Kiddie Care Corporation
Notes to the Financial Statements
For the Year Ended September 30, 2023

federal regulations. The use of assets purchased with restricted funds is limited to the purposes intended by the funding agency.

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, 2023, included the payment of \$21,690.03 in income tax expenses on unrelated business income.

Van’s Kiddie Care Corporation
Notes to the Financial Statements
For the Year Ended September 30, 2023

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.

K. LIQUIDITY MANAGEMENT

As of September 30, 2023, **the Organization** has financial assets of \$586,986.13 in cash, with \$210,474.99 subject to donor restrictions and a remaining balance of \$376,511.14 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.

NOTE 2 – CASH

At September 30, 2023, the **Organization** has cash (book balances) totaling \$586,986.13, which is in noninterest-bearing demand accounts. The deposits are stated at costs, which approximate market and are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2023, the amount deposited exceeded the federally insured limits by \$137,101.91. Management believes the credit risk associated with these deposits is minimal.

NOTE 3 - REIMBURSEMENTS RECEIVABLE

Accounts receivable represents reimbursements due from the Louisiana Department of Education for meals served during the month of September 30, 2023.

Provider Reimbursement Receivable	\$1,894,754.16
Administrative Reimbursement Receivable	244,100.00
Total Reimbursements Receivable	<u><u>\$2,138,854.16</u></u>

Van's Kiddie Care Corporation
Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 4 – EQUIPMENT

At September 30, 2023, the costs of office furniture and equipment were as follows:

Office furniture and equipment	\$291,411.53
Equipment Purchased	28,030.72
Less accumulated depreciation	(250,416.86)
Total office furniture and equipment	\$ 69,025.39

Depreciation expense totaled \$18,932.58 for the year ended September 30, 2023.

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, 2023.

NOTE 6 - DUE TO PROVIDERS

Due to providers represents amounts owed to providers for the cost of meals served during the month of August and September 2023.

NOTE 7 – OPERATING LEASES

The Organization has operating leases for office space at three (3) locations. Lease expense for office space for the year ended September 30, 2023 was \$93,947.20. Lease periods cover a period of two to three years all terminating in September 2025 with options to renew. Minimum future lease payments for each of the next two fiscal years and in the aggregate are:

<u>Year ending September 30,</u>	<u>Amount</u>
2024	\$94,587.60
2025	\$94,587.60

Van's Kiddie Care Corporation
Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 8 – SIMPLIFIED EMPLOYEE PENSION PLAN (SEP)

The SEP is a business retirement plan that allows the employer to contribute tax-deductible dollars to the employee's retirement account. Each eligible employee gets the same percentage contribution, zero to 25%, of their individual compensation. Annual contributions to the SEP are not mandatory. Distribution of the SEP Plan is dependent upon availability of the funds within the approved budget of the CACFP program. Contributions for the year by the employer totaled \$69,469.14.

NOTE 9 - BOARD OF DIRECTORS

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

NOTE 10 - BOARD DESIGNATION OF ASSETS

At September 30, 2023, **the Organization's** Board has not designated any portion of net assets for specific purposes.

NOTE 11- 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 15, 2024 the date that the financial statements were available to issue.

SUPPLEMENTARY INFORMATION

VAN'S KIDDIE CARE CORPORATION

**Schedule of Compensation, Benefits and Other Payments
to Chief Operating & Financial Officer
Year Ended September 30, 2023**

KEITH BOWLES, CHIEF FINANCIAL AND OPERATING OFFICER

PURPOSE	AMOUNT
Salary	\$ 116,358.72
Benefits - retirement	7,214.24
Benefits-insurance	1,687.20
Disability insurance	1,408.68
Workers compensation	<u>210.81</u>
TOTAL	<u><u>\$ 126,879.65</u></u>

VAN'S KIDDIE CARE CORPORATION

**Audited Statement of Claims
Year Ended September 30, 2023**

REIMBURSEMENTS RECEIVED

Administrative	\$ 1,328,403.00
Program	<u>10,217,116.16</u>
Total	<u>\$ 11,545,519.16</u>

REIMBURSEMENTS ALLOWABLE

Administrative	\$ 1,328,403.00
Program	<u>10,216,567.16</u>
Total	<u>\$ 11,544,970.16</u>

OVER (UNDER) CLAIM

Administrative	\$ -
Program	<u>\$ 549.00</u>

TOTAL OVER (UNDER) CLAIMED

<u>\$ 549.00</u>

VANS KIDDIE CARE, INC.

**Schedule of Meals Served and
Program Reimbursement
Year Ended September 30, 2023**

OCTOBER 1, 2022 TO JUNE 30, 2023	<u>BREAKFAST</u>	<u>LUNCH</u>	<u>SUPPLEMENT</u>	<u>SUPPER</u>	<u>TOTAL</u>
Number of meals claimed	415,706	580,778	1,212,900	1,223,275	3,432,659
Less: Meals refunded by sponsor					
Net meals allowed	415,706	580,778	1,212,900	1,223,275	3,432,659
Reimbursement rate	1.6600	3.0400	0.9700	3.0400	
Reimbursement based on rate	\$ 690,071.96	\$ 1,765,565.12	\$ 1,176,513.00	\$ 3,718,756.00	\$ 7,350,906.08
JULY 1, 2023 TO SEPTEMBER 30, 2023	<u>BREAKFAST</u>	<u>LUNCH</u>	<u>SUPPLEMENT</u>	<u>SUPPER</u>	<u>TOTAL</u>
Number of meals claimed	129,293	253,852	455,899	460,536	1,299,580
Less: Meals refunded by sponsor		(20)	(120)	(120)	
Net meals allowed	129,293	253,832	455,779	460,416	1,299,320
Reimbursement rate	1.6500	3.1200	0.9300	3.1200	
Reimbursement based on rate	\$ 213,333.45	\$ 791,955.84	\$ 423,874.47	\$ 1,436,497.92	\$ 2,865,661.68
TOTAL MEALS CLAIMED	544,999	834,630	1,668,799	1,683,811	4,732,239
TOTAL NET MEALS ALLOWED	544,999	834,610	1,668,679	1,683,691	4,731,979
PROGRAM REIMBURSEMENT CLAIMED \$	903,405.41	\$ 2,557,583.36	\$ 1,600,499.67	\$ 5,155,628.32	\$ 10,217,116.76
PROGRAM REIMBURSEMENT ALLOWED \$	903,405.41	\$ 2,557,520.96	\$ 1,600,387.47	\$ 5,155,253.92	\$ 10,216,567.76
MEALS OVERCLAIMED AND REFUNDED TO LDOE					<u>\$ 549.00</u>

SINGLE AUDIT REPORTS

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 (a nonprofit organization)** which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated March 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **Van's Kiddie Care Corporation's** internal control over financial reporting (internal control) as a basis for designing 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 **Van's Kiddie Care Corporation's** internal control. Accordingly, I do not express an opinion on the effectiveness of **Van's Kiddie Care Corporation's** the 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Van's Kiddie Care Corporation's** financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; 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 15, 2024

**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

Opinion on Major Federal Program

I have audited **Van's Kiddie Care Corporation, (the Organization)** (a nonprofit organization) with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of **Van's Kiddie Care Corporation's** major federal program for the year ended September 30, 2023. **Van's Kiddie Care Corporation's** major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 each on its major federal program for the year ended September 30, 2023.

Basis for Opinion on Major Federal Program

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 of America; 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of **Van's Kiddie Care Corporation** and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of **Van's Kiddie Care Corporation's** compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules, and provisions of contracts or grant agreements applicable to **Van's Kiddie Care Corporation's** federal programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Van's Kiddie Care Corporation's** compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about **Van's Kiddie Care Corporation's** compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Van's Kiddie Care Corporation's** compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of **Van's Kiddie Care Corporation's** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 **Van's Kiddie Care Corporation's** internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of This Report

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; however, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

I have audited the financial statements of **Van's Kiddie Care Corporation** as of and for the year ended September 30, 2023, and have issued my report thereon dated March 15, 2024, which contained a unmodified opinion on those financial statements. My audit was conducted for purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by

Uniform Guidance and is 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Roslyn J. Johnson, LLC

Baton Rouge, Louisiana
March 15, 2024

VAN'S KIDDIE CARE CORPORATION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2023**

Federal Grantor/ Pass-Through Grantor/ Program Name	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures September 30, 2023
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>\$ 11,545,519.16</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, 2023.

D. Subrecipients

Van's Kiddie Care, Inc. did not provide federal funds to any subrecipients during the year ended September 30, 2023.

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, 2023

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?	_____ Yes		_____ X	_____ No
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VAN'S KIDDIE CARE CORPORATION
Schedule of Findings and Questioned Costs
Year Ended September 30, 2023

SECTION II - FINANCIAL STATEMENT AUDIT

No findings or questioned costs for the year ended September 30, 2023.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL

No findings or questioned costs for the year ended September 30, 2023.

SECTION IV - MANAGEMENT LETTER

Nor Applicable

VAN'S KIDDIE CARE CORPORATION
Schedule of Prior Findings and Questioned Costs
Year Ended September 30, 2023

No findings or questioned costs for the year ended September 30, 2022.

**STATE REPORTING SECTION
AGREED-UPON PROCEDURES**

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

To the **Board of Directors of
Van's Kiddie Care Corporation
and the Louisiana Legislative Auditor:**

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period **October 1, 2022 through September 30, 2023**. **Van's Kiddie Care Corporation's** management is responsible for those C/C areas identified in the SAUPs.

Van's Kiddie Care Corporation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period **October 1, 2022 through September 30, 2023**. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

I obtained from management its written policies and procedures utilized in the operations of the organization. Because the organization's public funds are federal major program funds received for the Child and Adult Care Food Program, they are subject to testing under the Single Audit and therefore AUP categories including written procedures are mainly covered under the pass-through agency agreement, FNS instruction 796-2, *Financial Management-Child and Adult Care Food Program*, and the federal *Compliance Supplement*.

Van's Kiddie Care Corporation
AGREED-UPON PROCEDURES REPORT

Budgeting

Comment: No exceptions were found as a result of this procedure.

Purchasing

Comment: No exceptions were found as a result of this procedure.

Disbursements

Comment: No exceptions were found as a result of this procedure.

Receipts/Collections

Comment: No exceptions were found as a result of this procedure.

Payroll/Personnel

Comment: No exceptions were found as a result of this procedure.

Contracting

Comment: No exceptions were found as a result of this procedure.

Credit Cards

Comment: No exceptions were found as a result of this procedure.

Travel and Expense Reimbursement

Comment: No exceptions were found as a result of this procedure.

Ethics

Comment: Not Applicable

Van's Kiddie Care Corporation
AGREED-UPON PROCEDURES REPORT

Debt Service

Comment: Not Applicable

Information Technology Disaster Recovery/Business Continuity

Comment: No exceptions were found as a result of this procedure.

Sexual Harassment

Comment: Not Applicable

Board

Obtained and inspected the board minutes for the fiscal period and observed the Board met quarterly in accordance with its bylaws. In addition, the board minutes reference financial activity relating to the CACFP fund. There were no prior year audit findings requiring corrective action and updates to the Board.

Comment: No exceptions were found as a result of this procedure.

Bank Reconciliations

Obtained and inspected one month's bank reconciliation for each bank account. Observed bank reconciliations were reconciled within two months of the related statement closing date and included evidence they had been reviewed by a member of the Board.

Comment: No exceptions were found as a result of this procedure.

Collections

The Organizations deposits are mainly EFT (*Electronic Fund Transfer*). There is one deposit site and there are no cash collections.

Comment: No exceptions were found as a result of this procedure.

Van's Kiddie Care Corporation
AGREED-UPON PROCEDURES REPORT

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

Selected two months of non-payroll disbursements and noted employee duties are properly segregated and transaction are properly authorized. Disbursement transactions were properly supported by invoice or an approved contract. An outside accountant handles the recording and reporting of transactions.

Comment: No exceptions were found as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

The Organization has one credit card with five (5) authorized users. Obtained two months of credit cards statements. Verified sufficient documentation supported transactions and all transactions were for the business/public purpose of the fund. Observed statements along with supporting documentation were reviewed and approved by a member of the Board.

Comment: No exceptions were found as a result of this procedure.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Obtained a listing of all travel reimbursements for the audit period. Determined that the reimbursement rate was no more than the rate established by *Louisiana Travel Guide* authorized by the oversight agency. Selected two months of travel reimbursement transactions and examined the related expense reimbursement forms which documented the business/public purpose. Documentation to support the business/public purpose was on file to support all transactions.

Comment: No exceptions were found as a result of this procedure.

Contracts

Obtain from management a listing of all agreements/contracts for professional services, materials and supplies that were initiated during the fiscal period. Determined all contracts were approved by the oversight agency during the Organization's budget approval process. Verified payments made for professional services in the two test months selected for testing were made in accordance with terms and conditions of the contract.

Comment: No exceptions were found as a result of this procedure.

Van's Kiddie Care Corporation
AGREED-UPON PROCEDURES REPORT

Payroll and Personnel

I selected two pay-periods during the fiscal year and verified that employees were paid the authorized rates as approved by the oversight agency in the budget. In addition, I examined attendance and leave records for the selected payroll transactions and determined time and attendance for employees in my test months were properly approved by the supervisor.

Comment: No exceptions were found as a result of this procedure.

Ethics

Comment: Not Applicable

Debt Service

Comment: Not Applicable

Fraud Notice

Comment: No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

Comment: No exceptions were found as a result of this procedure.

Sexual Harassment

Comment: Not Applicable

I was engaged by **Van's Kiddie Care Corporation** to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an

Van's Kiddie Care Corporation
AGREED-UPON PROCEDURES REPORT

opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of **Van's Kiddie Care Corporation** and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Roslyn J. Johnson, LLC

Baton Rouge, Louisiana
March 15, 2024