

**FAMILY DAY CARE HOME PROGRAM  
OF  
NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED  
MONROE, LOUISIANA**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
WITH SUPPLEMENTAL INFORMATION  
As of And for The Year Ended September 30, 2013**

**BY**

**ROSIE D. HARPER  
CERTIFIED PUBLIC ACCOUNTANT, LLP**

**POST OFFICE BOX 1167 • 604 NORTH THIRD STREET • MONROE, LOUISIANA 71210  
OFFICE (318) 387-8008 • FAX (318) 387-0806**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 23 2014

**FAMILY DAY CARE HOME PROGRAM  
OF  
NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED  
MONROE, LOUISIANA**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
WITH SUPPLEMENTAL INFORMATION  
As of And for The Year Ended September 30, 2013**

**FAMILY DAY CARE HOME PROGRAM  
 OF  
 NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED  
 Monroe, Louisiana**

**Financial Statements  
 and Independent Auditor's Report  
 with Supplemental Information  
 As of and for the Year Ended September 30, 2013**

**CONTENTS**

	<u>STATEMENTS</u>	<u>PAGE NO.</u>
Independent Auditor's Report		1-2
Financial Statements		
Statement of Financial Position	A	4
Statement of Activities	B	5
Statement of Cash Flows	C	6
Statement of Functional Expenses	D	7
Notes to the Financial Statements		8-11
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 <i>Government Auditing Standards</i>		12-13
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133		14-15
Supplemental Information:		
Program Description		17
Schedule of Activities-Budget to Actual (Administrative)		18
Analysis of Administrative Reimbursement Allowable		19
Schedule of Meals Claimed and Reimbursement Allowed		20
Schedule of Expenditure of Federal Awards		21
Notes to Schedule of Expenditure of Federal Awards		22
Schedule of Findings and Questioned Costs		23



ROSIE D. HARPER

Certified Public Accountant, LLP

Post Office Box 1167 • 604 North 3<sup>rd</sup> Street • Monroe, Louisiana 71210

Phone: (318) 387-8008 • Fax: (318) 387-0806

---

### **Independent Auditor's Report**

To the Board of Directors of  
Nutritional Healthy Choice of Monroe, Incorporated  
Monroe, Louisiana

I have audited the accompanying financial statements of Nutritional Healthy Choice of Monroe, Incorporated (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013, 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 I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Nutritional Healthy Choice of Monroe, Incorporated  
Independent Auditor's Report (Continued)**

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nutritional Healthy Choice of Monroe, Incorporated as of September 30, 2013, 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. The information in Schedules 1 through 5 is also presented for purposes of additional analysis and is not a part of the required financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated March 29, 2013 on my consideration of Nutritional Healthy Choice of Monroe, Incorporated'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 Nutritional Healthy Choice of Monroe, Incorporated's internal control over financial reporting and compliance.



Rosie D. Harper  
Certified Public Accountant

Monroe, Louisiana  
March 29, 2014

# **FINANCIAL STATEMENTS**

FAMILY DAY CARE HOME PROGRAM  
OF  
NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED

Statement A

Statement of Financial Position  
September 30, 2013

**Assets**

Cash	\$ 1,451
Reimbursement Receivable	<u>293,855</u>
Total Assets	<u><u>295,306</u></u>

**Liabilities and Net Assets**

Liabilities:

Accrued Liabilities	5,179
Deferred Revenue	7,053
Due to Louisiana Department of Education	7
Due to Providers	<u>283,067</u>
Total Liabilities	<u>295,306</u>

Net Assets:

Total Net Assets	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 295,306</u></u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

FAMILY DAY CARE HOME PROGRAM  
OF  
NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED

Statement B

Statement of Activities  
For the Year Ended  
September 30, 2013

**UNRESTRICTED NET ASSETS**

<b>Net Assets Released from Restrictions</b>	
Restrictions Satisfied by Payments	\$ 4,326,473
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	<u>4,326,473</u>
<b>Expenses</b>	
General and Administrative Expenses	570,898
Program Expense	3,755,575
Total Expenses	<u>4,326,473</u>
Change in Unrestricted Net Assets and Reclassifications	<u>-</u>

**TEMPORARILY RESTRICTED NET ASSETS**

<b>Reimbursements</b>	
Louisiana Department of Education	
Net Assets Released from Restrictions	4,326,473
Restrictions Satisfied by Payments	<u>(4,326,473)</u>
Change in Temporarily Restricted Net Assets	<u>-</u>
Change in Net Assets	-
Net Assets as of Beginning of Year	<u>-</u>
Net Assets as of End of Year	<u><u>\$ -</u></u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.



FAMILY DAY CARE HOME PROGRAM  
 OF  
 NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED

Statement C

Statement of Cash Flows  
 For the Year Ended  
 September 30, 2013

<b>Operating Activities</b>	<u><b>All Funds</b></u>
Change in Net Assets	\$ -
Adjustments to Reconcile Change in Net Assets to Net	
Cash Provided by Operating Activities:	
Increase in Reimbursement Receivable	(21,931)
Decrease in Other Receivables	1,940
Increase in Deferred Revenue	7,053
Decrease in Accrued Liabilities	(6,940)
Decrease in Due to Louisiana Department of Education	(577)
Increase in Due to Providers	21,906
Total Adjustments	<u>1,451</u>
Net Cash Provided by Operating Activities	<u>1,451</u>
 Net Cash Increase for Period	 1,451
Cash at Beginning of Period	<u>-</u>
 Cash and Cash Equivalents at End of Year	 <u><u>\$ 1,451</u></u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

FAMILY DAY CARE HOME PROGRAM  
OF  
NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED

Statement D

Statement of Functional Expenses  
For the Year Ended  
September 30, 2013

	<b>General and Administrative</b>	<b>Program Services</b>	<b>Total Expenses</b>
<b>Personnel Costs</b>			
Salaries and Wages	\$ 369,016	\$ -	\$ 369,016
Related Benefits	43,253	-	43,253
<b>Total Personnel Costs</b>	412,269	-	412,269
 <b>Other Expenses</b>			
Acquisition Costs	858	-	858
Contract Costs	11,178	-	11,178
Provider Reimbursements	-	3,755,575	3,755,575
Operating Costs	110,631	-	110,631
Provider Training	3,134	-	3,134
Staff Training	9,148	-	9,148
Travel	22,343	-	22,343
Other Expense	1,337	-	1,337
<b>Total Other Expenses</b>	158,629	3,755,575	3,914,204
<b>Total Functional Expenses</b>	\$ 570,898	\$ 3,755,575	\$ 4,326,473

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

**Family Day Care Home Program  
Of  
Nutrition Healthy Choice of Monroe, Incorporated  
Monroe, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended September 30, 2013**

**NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated is a private non-profit organization domiciled in Monroe, Louisiana. The Organization was chartered by the State of Louisiana on February 10, 1975. The Organization is recognized as a tax exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code. It administers assistance to Family Day Care Home providers by enrolling, monitoring, reimbursing, and providing overall assistance to service providers as authorized at section 17 of the National School Lunch Act (42 U.S.C. 1766). The Home providers provide a combination of three meals or snacks a day to eligible children who are kept in the homes of the service providers. A Board of Directors which consists of five (5) members governs the agency. The Board Members receive no compensation.

**Public Support and Revenue**

Revenue and public support consists mainly of federal reimbursements. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions. Contributions are considered to be unrestricted unless restricted by the donor. A state service contract was the only source of income during the audit period.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

Nutrition Healthy Choice of Monroe, Incorporated is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of March 29, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by Internal Revenue Service for the years ended September 30, 2011, 2012, and 2013; however, there are currently no audits for any tax period in progress.

**Family Day Care Home Program of  
Nutrition Healthy Choice of Monroe, Incorporated  
Notes to the Financial Statements (Continued)**

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated had no cash equivalents during the audit period. On September 30, 2013, the Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated had cash deposits of \$1,451.

**NOTE B-PENSION PLAN**

The Organization does not have a retirement program for its employees and the employees are not members of the State of Louisiana Retirement System. All employees of the Organization are members of the Social Security System. In addition to the employees' contributions, the agency contributes 7.65 percent of adjusted gross payroll to the Social Security System. The Organization does not guarantee the benefits granted by the Social Security System.

**NOTE C-FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE D-BUDGET PRACTICES**

The Organization prepares an annual budget, which is approved by the Board of Directors prior to being submitted to the reimbursement agency. Budgeted costs amounts are closely monitored to ensure the costs are not exceeded.

**NOTE E-RECEIVABLES**

At September 30, 2013, the Organization had receivables as follows:

Louisiana Department of Education-Family Day Care Home Program Reimbursements	<u>\$ 293,855</u>
Total	<u><u>\$ 293,855</u></u>

**Family Day Care Home Program of  
Nutrition Healthy Choice of Monroe, Incorporated  
Notes to the Financial Statements (Continued)**

**NOTE F-LIABILITIES**

At September 30, 2013, the Organization had liabilities totaling \$288,253. The liabilities consist of the following:

Accrued Liabilities	\$	5,179
Due to Louisiana Department of Education		7
Due to Providers		283,067
Total	\$	<u>288,253</u>

**NOTE G-DEFERRED REVENUE**

Restricted revenue under the deferral method is recognized as revenue in the period in which the related expense is incurred. Revenue for which expenses are not yet incurred is deferred to a later date. At September 30, 2013, the Organization had deferred revenue totaling \$7,053 which represents carryover funds of less than 2% of the Organization's approved program budget.

**NOTE H-RELATED PARTY TRANSACTION**

The Board of Directors consists of five (5) members. The spouse of Board Member, Johnny Patterson serves as the Executive Director of the agency. Board Member Johnny Patterson is employed part-time as the Chief Financial Officer. The daughter of the Chief Financial Officer and Executive Director is employed part-time performing clerical duties for the Organization. The Board of Directors approved the appointment of the Executive Director and the Chief Financial Officer.

**NOTE I-FRINGE BENEFIT**

All full time employees are offered life insurance coverage up to \$40,000 or the maximum amount the underwriter will approve, whichever is greater. The Organization also pays health insurance benefits for all full-time employees.

**NOTE J-COMPENSATED ABSENCES**

Compensated absences are absences for which employees will be paid, such as vacation and/or sick leave. The Organization has a formal policy for accumulation and vesting of annual leave, and sick leave, which is based on the length of service. The days that are granted are included in annual salaries. Annual and sick leave time that are earned but not used may be brought forward into the next calendar year. For the purpose of this report, accumulated days for compensated absences are considered immaterial.

**Family Day Care Home Program of  
 Nutrition Healthy Choice of Monroe, Incorporated  
 Notes to the Financial Statements (Continued)**

**NOTE K-OPERATING LEASE COMMITMENT**

As of September 30, 2013, the Organization was committed to two (2) operating leases for its office facilities requiring rent of \$24,204 annually as follows:

<b>Location</b>	<b>Landlord</b>	<b>Term</b>	<b>Monthly</b>	<b>Annual</b>
505 North 18th Street Suites D & C Monroe, LA 71201	Ken. W. May	3 Years	\$ 1,200	\$ 14,400
1120 S Pointe Parkway Suite C-1 Shreveport, LA 71105	Software & Services of Louisiana	2 Years	817	9,804
			<u>\$ 2,017</u>	<u>\$ 24,204</u>

**NOTE L-CONCENTRATION OF RISK**

For the year ended September 30, 2013, the Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated was subject to significant concentration risks due to the fact that one hundred percent (100%) of its funding consisted of a contract agreement with the State of Louisiana.

**NOTE M-SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through March 29, 2014 , the date which the financial statements were available to be issued and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



ROSIE D. HARPER

Certified Public Accountant, LLP

Post Office Box 1167 • 604 North 3<sup>rd</sup> Street • Monroe, Louisiana 71210

Phone: (318) 387-8008 • Fax: (318) 387-0806

---

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

To: The Board of Directors of  
Nutrition Healthy Choice of Monroe, Incorporated  
Monroe, 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 the United States, the financial statements of The Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013, 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 our report thereon dated March 29, 2014.

**Internal Control over Financial Reporting**

Management of Nutrition Healthy Choice of Monroe, Incorporated is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered The Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*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 over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**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* (Continued)**

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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, this report is a matter of public record and its distribution is not limited.



Rosie D. Harper  
Certified Public Accountant

Monroe, Louisiana  
March 29, 2014





**ROSIE D. HARPER**

Certified Public Accountant, LLP

Post Office Box 1167 • 604 North 3<sup>rd</sup> Street • Monroe, Louisiana 71210

Phone: (318) 387-8008 • Fax: (318) 387-0806

---

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors  
Nutritional Healthy Choice of Monroe, Incorporated  
Monroe, Louisiana

**Report on Compliance for Each Major Federal Program**

I have audited Nutritional Healthy Choice of Monroe, Incorporated's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Nutritional Healthy Choice of Monroe, Incorporated's major federal programs for the year ended September 30, 2013. Nutritional Healthy Choice of Monroe, Incorporated'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of Nutritional Healthy Choice of Monroe, Incorporated'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Nutritional Healthy Choice of Monroe, Incorporated'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 Nutritional Healthy Choice of Monroe, Incorporated's compliance.

**Independent Auditor's Report On Compliance For Each Major Program And On Internal Control Over Compliance  
Required By OMB Circular A-133 (Continued)**

***Opinion on Each Major Federal Program***

In my opinion, Nutritional Healthy Choice of Monroe, Incorporated 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 ended September 30, 2013.

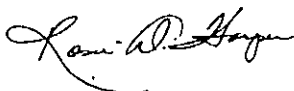
**Report on Internal Control Over Compliance**

Management of Nutritional Healthy Choice of Monroe, Incorporated 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 Nutritional Healthy Choice of Monroe, Incorporated'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 OMB Circular A-133, 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 Nutritional Healthy Choice of Monroe, Incorporated'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



Rosie D. Harper  
Certified Public Accountant

Monroe, Louisiana  
March 29, 2014

## **SUPPLEMENTAL INFORMATION**

**FAMILY DAY CARE HOME PROGRAM  
OF  
NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED  
Monroe, Louisiana**

**PROGRAM DESCRIPTION**

The Family Day Care Home program provides by enrolling, monitoring, reimbursing, and providing overall assistance for service providers as authorized at section 17 of the National School Lunch Act (42 U.S.C. 1766) as amended. The home providers provide a combination of three meals or snacks a day to eligible children who are kept in the homes of the service providers. The Family Day Care Home Program is a federally funded program that provides administrative assistance to Family Day Care Home service providers. The agency reimburses service providers for up to three (3) meals per day for eligible applicants. The agency is funded by the United States Department of Agriculture as a pass-through entity of the Louisiana Department of Education.

FAMILY DAY CARE HOME PROGRAM  
OF  
NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED

Schedule 2

Administrative Fund  
Schedule of Activities -Budget to Actual  
September 30, 2013

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenue</b>			
Reimbursements	\$ 572,760	\$ 570,898	\$ 1,862
<b>Total Revenue</b>	<u>572,760</u>	<u>570,898</u>	<u>1,862</u>
<b>Personnel Costs</b>			
Salaries and Wages	356,485	369,016	(12,531)
Payroll Taxes and Other Fringe Benefits	43,256	43,253	3
<b>Total Personnel Costs</b>	<u>399,741</u>	<u>412,269</u>	<u>(12,528)</u>
<b>Other Expenses</b>			
Acquisition Costs	1,000	858	142
Contract Costs	12,200	11,178	1,022
Operating Costs	112,169	110,631	1,538
Provider Training	3,500	3,134	366
Staff Training	12,000	9,148	2,852
Travel	30,000	22,343	7,657
Other Expense	2,150	1,337	813
<b>Total Other Expenses</b>	<u>173,019</u>	<u>158,629</u>	<u>14,390</u>
<b>Total Expenses</b>	<u>572,760</u>	<u>570,898</u>	<u>1,862</u>
<b>Change in Net Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes to Financial Statements.

FAMILY DAY CARE HOME PROGRAM  
OF  
NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED

Schedule 3

Analysis of Administrative Reimbursement Allowable  
September 30, 2013

A. Actual Administrative Expenditures		\$570,898	
Less: Non-Program Expense	-		
Budget Overspent	-		
Questioned Costs	-	-	<u>570,898</u>
B. Administrative Reimbursement			
1 to 50 Oct 12-Jun 13	272,256		
51 to 200 Oct 12-Jun 13	110,700		
201 to 1000 Oct 12-Jun 13	48,150		
1 to 50 Jul 13-Sept 13	93,210		
51 to 200 Jul 13-Sept 13	37,350		
201 to 1000 Jul 13-Sept 13	<u>16,350</u>	578,016	
Less: Funds Returned		<u>65</u>	<u>577,951</u>
C. Approved Administrative Budget			<u>572,760</u>
D. Thirty Percent (30%) of Total Reimbursement:			
<b>Program Reimbursement</b>	3,755,575		
Less: Funds Disallowed	-		
Non-Program Expenses			
Questioned Costs			
Budget Overspent	<u>-</u>	3,755,575	
<b>Administrative Reimbursement</b>	577,951		
Less: Funds Disallowed	-		
Non-Program Expenses			
Questioned Costs			
Budget Overspent	<u>-</u>	<u>577,951</u>	
		4,333,526	
		<u>x 30%</u>	
			<u>1,300,058</u>
E. Maximum Reimbursement Allowable (Lesser of A, B, C, or D)			570,898
F. Administrative Reimbursement Received		<u>577,951</u>	
G. Administrative Reimbursement Over (Under) Claimed			<u>* (7,053)</u>

\* Carryover funds are less than 2% of allowable reimbursement.

See Accompanying Notes to Financial Statements.

FAMILY DAY CARE HOME PROGRAM  
OF  
NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED

Schedule of Meals Claimed and Reimbursement Allowed  
September 30, 2013

	Tier 1				Tier 2					
	Breakfast	Lunch	Supper	Supplement	Total	Breakfast	Lunch	Supper	Supplement	Total
<b>Meals Claimed October 2012 to June 2013</b>										
Meals Claimed	80,131	318,391	598,521	623,525	1,620,568	-	37	38	38	113
<b>Less: Meals Over (Under) Claimed</b>										
Per Audit	-	247	309	252	808	-	(40)	(45)	(67)	(152)
Per Audit Cost	\$ -	\$ 587.86	\$ 735.42	\$ 178.92	\$ 1,502.20	\$ -	\$ (57.60)	\$ (64.80)	\$ (12.73)	\$ (135.13)
Total (Over)/Under	-	247	309	252	808	-	(40)	(45)	(67)	(152)
Meals Allowed	80,131	318,144	598,212	623,273	1,619,760	-	77	83	105	265
Reimbursement Rate	\$ 1.27	\$ 2.38	\$ 2.38	\$ 0.71		\$ 0.46	\$ 1.44	\$ 1.44	\$ 0.19	
Reimbursement Based on Rate	\$ 101,766.37	\$ 757,182.72	\$ 1,423,744.56	\$ 442,523.83	\$ 2,725,217.48	\$ -	\$ 110.88	\$ 119.52	\$ 19.95	\$ 250.35
<b>Meals Claimed July 2013 to September 2013</b>										
Meals Claimed	20,841	139,694	213,397	220,754	594,686	-	-	-	-	-
<b>Less: Meals Over (Under) Claimed</b>										
Per Audit	-	116	143	143	402	-	-	-	-	-
Per Audit Cost	\$ -	\$ 278.40	\$ 343.20	\$ 101.53	\$ 723.13	\$ -	\$ -	\$ -	\$ -	\$ -
Total Over/(Under)	-	116	143	143	402	-	-	-	-	-
Meals Allowed	20,841	139,578	213,254	220,611	594,284	-	-	-	-	-
Reimbursement Rate	\$ 1.28	\$ 2.40	\$ 2.40	\$ 0.71		\$ 0.47	\$ 1.45	\$ 1.45	\$ 0.19	
Reimbursement Based on Rate	\$ 26,676.48	\$ 334,987.20	\$ 511,809.60	\$ 156,633.81	\$ 1,030,107.09	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Meals Claimed</b>	100,972	457,722	811,466	843,884	2,214,044	-	77	83	105	265
<b>Less Total Overclaims</b>	-	363	452	395	1,210	-	(40)	(45)	(67)	(152)
<b>Total Net Meals Allowed</b>	100,972	457,359	811,014	843,489	2,212,834	-	117	128	172	417
<b>Program Reimbursement Allowed</b>	\$ 128,442.85	\$ 1,092,169.92	\$ 1,935,554.16	\$ 599,157.64	\$ 3,755,324.57	\$ -	\$ 110.88	\$ 119.52	\$ 19.95	\$ 250.35
<b>Adjustment for Rounding Off</b>										
Program Reimbursement Allowed					\$ 3,755,574.92					
Program Reimbursement Received					3,757,665.12					
Less Funds Refunded to State at 9/30/13					(2,083.05)					
<b>Net Reimbursements Received</b>					3,755,582.07					
<b>Program Reimbursement (Over)/Under Claimed</b>					\$ (7.15)					

See Accompanying Notes to Financial Statements.

FAMILY DAY CARE HOME PROGRAM  
 OF  
 NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED

Schedule 5

Schedule of Expenditure of Federal Awards  
 For the Year Ended September 30, 2013

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Federal Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE Passed through State of Louisiana Department of Education Child and Adult Care Food Program*	10.558	\$ <u>4,326,473</u>
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE		<u>4,326,473</u>
Total Expenditures of Federal Awards		<u>\$ <u>4,326,473</u></u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.



**Family Day Care Home Program of  
Nutrition Healthy Choice of Monroe, Incorporated**

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2013**

**NOTE A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (Schedule 5) includes the federal grant activity of the Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated under programs of the federal government for the year ended September 30, 2013. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated.

**FAMILY DAY CARE HOME PROGRAM  
OF  
NUTRITION HEALTHY CHOICE OF MONROE, INCORPORATED**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2013**

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated.
2. No significant deficiencies over internal controls were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.
5. The auditor's report on compliance for the major federal award programs for the Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated expresses an unqualified opinion on all major federal programs.
6. No audit findings that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133 are reported in this Schedule.
7. The funds were received from the following United States Departments and were combined in the annual audit and tested as major or non-major programs for the fiscal year ending September 30, 2013:

United States Department of Agriculture (Major)

**CFDA**  
10.588

**PROGRAM**  
Child and Adult Care Food Program

8. The threshold for distinguishing Types A and B programs were as follows:

**Type A**

The larger of \$300,000 or 3% (.03) of total federal awards expended.

**Type B**

The larger of \$100,000 or .3% (.003) of total federal awards expended.

9. For the period ending September 30, 2013, the Family Day Care Home Program of Nutrition Healthy Choice of Monroe, Incorporated was determined to be a low-risk auditee.

**FINDINGS-FINANCIAL STATEMENTS AUDIT**

There were no findings.

**QUESTIONED COSTS**

There were no questioned costs.