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**REGINA COELI CHILD
DEVELOPMENT CENTER**

FIN: 72-0680604

Audits of Financial Statements

May 31, 2008 and 2007

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 10/29/08

Contents

Independent Auditor's Report	1 - 2
-------------------------------------	-------

Financial Statements

Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 13

Supplemental Information

Schedule of Federal Awards by Catalog of Federal Domestic Assistance (CFDA) Number and Other Financial Assistance	15
Financial Status Report - Head Start	16
Financial Status Report - Head Start Construction	17
Schedule of Expenditures of Federal Awards	18 - 19
Schedule of Board Members	20

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>	21 - 22
--	---------

Report On Compliance with Requirements Applicable to Each Major Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133	23 - 24
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Schedule of Findings and Questioned Costs	25
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Independent Auditor's Report

To the Board of Directors
Regina Coeli Child Development Center
Robert, Louisiana

We have audited the accompanying statements of financial position of Regina Coeli Child Development Center (the Center) (a non-profit Corporation) as of May 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Regina Coeli Child Development Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

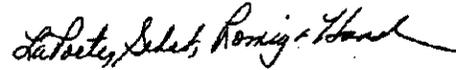
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Regina Coeli Child Development Center as of May 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2008, on our consideration of Regina Coeli Child Development Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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Our audits were performed for the purpose of forming an opinion on the basic financial statements of Regina Coeli Child Development Center taken as a whole. The accompanying schedule of federal awards by Catalog of Federal Domestic Assistance (CFDA) number and other financial assistance, the financial status reports - Head Start, and schedule of Board Members is presented for the purpose of additional analysis and is not a part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



A Professional Accounting Corporation

September 17, 2008

REGINA COELI CHILD DEVELOPMENT CENTER
 Statements of Financial Position
 May 31, 2008 and 2007

	2008	2007
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 483,763	\$ 340,362
Certificate of Deposit	846,917	872,635
Grants Receivable	742,358	1,000,464
Other Receivables	295	625
Deferred Expenses	499	-
Inventory	2,942	2,881
Total Current Assets	2,076,774	2,216,967
Property, Plant and Equipment		
Land	1,096,699	1,101,665
Buildings	7,103,294	7,061,865
Vehicles	1,036,202	1,056,175
Equipment	477,178	477,178
Leasehold Improvements	561,445	561,445
Construction in Process	1,829,523	41,697
	12,104,341	10,300,025
Less: Accumulated Depreciation and Amortization	(3,550,693)	(3,293,240)
Total Property, Plant and Equipment, Net	8,553,648	7,006,785
Other Assets		
Loan Fees, Net	52,960	56,270
Deposits	2,281	2,281
Total Other Assets	55,241	58,551
Total Assets	\$ 10,685,663	\$ 9,282,303
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 246,295	\$ 295,306
Construction Payable	198,279	-
Accrued Payroll Expenses	590,322	717,129
Notes Payable, Current Portion	196,508	178,070
Total Current Liabilities	1,231,404	1,190,505
Long-Term Liabilities		
Notes Payable, Net of Current Portion	3,862,673	4,098,577
Total Liabilities	5,094,077	5,289,082
Net Assets - Unrestricted	5,591,586	3,993,221
Total Liabilities and Net Assets	\$ 10,685,663	\$ 9,282,303

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

REGINA COELI CHILD DEVELOPMENT CENTER
Statements of Activities
For the Years Ended May 31, 2008 and 2007

	2008	2007
Revenues		
Grants	\$ 15,106,995	\$ 13,867,470
Goods and Services Contributed	1,416,068	1,933,073
Other Income	130,716	290,641
Cash Contributions	85,759	77,281
Interest Revenue	29,938	25,533
Gain on Sale of Assets	3,036	-
	<hr/>	<hr/>
Total Revenues	16,772,512	16,193,998
	<hr/>	<hr/>
Expenses		
Personnel	8,688,489	8,646,750
Fringe Benefits	1,845,844	2,044,048
Goods and Services Contributed	1,416,068	1,933,073
Occupancy	678,141	774,483
Food Costs	521,644	455,214
Travel	334,341	364,561
Depreciation	294,674	293,486
Interest Expense	261,667	291,721
Insurance	251,486	183,232
Other Supplies	255,923	311,425
Educational Supplies	240,608	221,661
Consultants	136,387	148,445
Training	128,974	144,938
Other	111,786	132,934
Fundraising Costs	4,805	14,548
Amortization	3,310	3,310
	<hr/>	<hr/>
Total Expenses	15,174,147	15,963,829
	<hr/>	<hr/>
Change in Net Assets	1,598,365	230,169
Net Assets, Beginning of Year	3,993,221	3,763,052
	<hr/>	<hr/>
Net Assets, End of Year	\$ 5,591,586	\$ 3,993,221
	<hr/>	<hr/>

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

REGINA COELI CHILD DEVELOPMENT CENTER
Statements of Cash Flows
For the Years Ended May 31, 2008 and 2007

	2008	2007
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 1,598,365	\$ 230,169
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Gain on Sale of Assets	(3,036)	-
Depreciation	294,674	293,486
Amortization	3,310	3,310
Decrease (Increase) in Grants Receivable	258,106	(205,565)
Decrease (Increase) in Other Receivables	330	(625)
(Increase) in Deferred Expenses	(499)	-
(Increase) in Inventory	(61)	(140)
Decrease in Prepaid Expenses	-	1,000
(Decrease) Increase in Accounts Payable	(49,011)	77,187
Increase in Construction Payable	198,279	-
(Decrease) Increase in Accrued Payroll Expenses	(126,807)	21,474
Total Adjustments	575,285	190,127
Net Cash Provided by Operating Activities	2,173,650	420,296
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(1,846,501)	(109,013)
Proceeds from Certificate of Deposit	25,718	16,965
Proceeds from the Sale of Fixed Assets	8,000	-
Net Cash Used in Investing Activities	(1,812,783)	(92,048)
Cash Flows from Financing Activities		
Principal Payments on Notes Payable, net of Proceeds	(217,466)	(227,531)
Net Cash Used in Financing Activities	(217,466)	(227,531)
Net Increase in Cash and Cash Equivalents	143,401	100,717
Cash and Cash Equivalents, Beginning of Year	340,362	239,645
Cash and Cash Equivalents, End of Year	\$ 483,763	\$ 340,362

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

REGINA COELI CHILD DEVELOPMENT CENTER

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

A summary of Regina Coeli Child Development Center's (the Center) significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

History of Center

The Center is a non-profit corporation that operates Head Start programs in Southeast Louisiana. The Center has been in existence since 1969. It operates sixteen centers, including Head Start, Early Head Start and Migrant Head Start programs, in the six parishes of Livingston, St. Helena, St. Tammany, Tangipahoa, Washington, and Ascension. The Center provided service to 2,305 and 2,033 children and families during the years ended May 31, 2008 and 2007, respectively. The goal of the Center is to improve the educational and economical opportunity of those it serves.

Presentation of Financial Statements

The Center has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statement of Not-for-Profit Organizations*. Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Center is required to present a statement of cash flows.

The Center has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor restrictions. The adoption had no cumulative effect on net assets at the date of the adoption. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor imposed time or purpose restrictions. During the periods under audit, the Center had no temporarily or restricted revenues or net assets.

SFAS No. 116 requires that in-kind contributions be recorded at their fair market value and accounted for as revenue when received and as an asset, reduction in a liability or an expense depending on the form of the benefits received. Contributions of services are to be recognized if the services received either (1) enhance a non-financial asset or (2) require specialized skills and would need to be purchased if not provided by donation.

Services valued at \$548,787 and \$921,520 during the years ended May 31, 2008 and 2007, respectively, did not meet the criteria of SFAS No. 116 and were not recognized. The following is a recap of in-kind contributions recognized in the years ended May 31, 2008 and 2007:

REGINA COELI CHILD DEVELOPMENT CENTER

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Presentation of Financial Statements (Continued)

	2008	2007
Rental of Facilities	\$ 172,563	\$ 146,800
Occupancy and Other Operating Expenses	292,254	258,542
Supplies	197,591	238,839
Pupil Transportation	160,332	942,751
Other Services	593,328	346,141
Total	\$ 1,416,068	\$ 1,933,073

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the Center are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Grant Control/Support

The Head Start and Early Head Start funds from the Department of Health and Human Services are recognized as revenue based on the program's approved grant award. The Child Care Food Program revenue is based on a predetermined reimbursement rate for the number of meals served.

The Center is required to ensure that expenditures under the various grants and reimbursement programs comply with the related grant or program guidelines for allowable costs. The funding agencies for these programs could require the return of expenditures that do not meet their guidelines.

Grant and Reimbursement Contract Revenues

Funds due from various funding sources under grants and reimbursement contracts are recognized as revenues in the accounting period when the expenses are incurred and the grant funds are earned.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk

Over 87% of the Center's funds during the years ended May 31, 2008 and 2007, are derived from grants from the U.S. Department of Health and Human Services. Any loss of such funding could cause a severe financial impact on the Center's operations.

REGINA COELI CHILD DEVELOPMENT CENTER

Notes to Financial Statements

Note 2. Grants Receivable

The balance of grants receivable consists of the following:

	2008	2007
Federal Grants		
Head Start Program	\$ 490,078	\$ 733,890
Migrant Head Start Program	37,122	75,795
Child Care Food Program	215,158	190,779
	<hr/>	<hr/>
Total	\$ 742,358	\$ 1,000,464

Note 3. Inventory

Inventory consists of food used in the Child Care Food Program. Inventory is accounted for on a lower of cost or market (first in, first out) basis.

Note 4. Income Taxes

The Center is exempt from federal and state corporate income taxes under section 501(c)(3) of the Internal Revenue Code.

Note 5. Statements of Cash Flows

For purposes of the statements of cash flows, the Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash paid for interest during the years ended May 31, 2008 and 2007, totaled \$261,667 and \$291,721, respectively.

Note 6. Fixed Assets

All assets purchased having a cost or estimated fair value equal to or greater than \$5,000 are capitalized and depreciated.

Buildings, vehicles, and equipment are stated at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Depreciation of all exhaustible fixed assets is charged as an expense. Depreciation has been provided using the straight-line method. For the years ended May 31, 2008 and 2007, depreciation expense totaled \$294,674 and \$293,486, respectively.

REGINA COELI CHILD DEVELOPMENT CENTER

Notes to Financial Statements

Note 6. Fixed Assets (Continued)

The estimated useful lives are as follows:

Description	Estimated Lives
Buildings	40 Years
Modular Building	15 Years
Vehicles	10 Years
Equipment	5 - 10 Years
Leashold Improvements	10 - 30 Years

Note 7. Retirement Plan

The Center sponsors a profit sharing plan under Section 404(c) of the Internal Revenue Code. All employees who are over 18 years of age are eligible to participate in the plan. Employees are enrolled as active participants on the first day of the month coinciding with or immediately following the date eligibility requirements are met. Participants may contribute from 1% to 100% of their compensation up to the maximum amount permitted by law. The value of a participant's account attributable to their contributions is always fully vested. Each plan year the Board of Directors will determine the amount of the employer contribution (if any) that will be made for all eligible participants who are actively employed on the last day of the plan year, which is December 31st. The plan has a five-year vesting schedule for employer contributions as follows:

Year	Percent
0 to Less than 2 Years	-0-%
2 Years	25%
3 Years	50%
4 Years	75%
5 or More Years	100%

A member automatically becomes fully vested when he or she dies, incurs total disability or reaches age 65.

During the years ended May 31, 2008 and 2007, \$250,907 and \$340,937, respectively, was contributed to the plan for the benefit of the plan participants employed by the Center, which is included in fringe benefits in the statements of activities.

REGINA COELI CHILD DEVELOPMENT CENTER

Notes to Financial Statements

Note 8. Loan Issuance Cost

In 2005, the Center incurred loan issuance costs of \$66,200. The Center amortizes these loan costs annually. The amortization expense was \$3,310 for each of the years ended May 31, 2008 and 2007, respectively.

Note 9. Notes Payable

A summary of notes payable for purchases of Head Start facilities is as follows:

	2008	2007
8.00% Note payable to a bank, secured by a building, due in monthly installments of \$1,876 through September 2009.	\$ 7,629	\$ -
5.69% Variable rate mortgage payable to a bank, secured by real estate, due in monthly installments of \$1,284 through May 2018.	58,538	70,300
4.875% Mortgage payable to U.S.D.A. Rural Economic and Community Development, secured by real estate, due in monthly installments of \$3,933 through October 2027.	589,715	607,640
6.00% Mortgage payable to an individual, secured by real estate, due in monthly installments of \$3,575 through October 2023.	430,882	447,457
6.00% Variable rate revenue bonds payable to a bank, secured by letter of credit from another bank, due in monthly payments of interest only, and one principal payment annually through July 2024. Fees for this loan include a trustee fee of \$1,500 annually, a remarketing fee of \$875 quarterly and a quarterly letter of credit fee calculated at 1.25% per annum of the outstanding principal balance.	2,972,417	3,151,250
Total	\$ 4,059,181	\$ 4,276,647

REGINA COELI CHILD DEVELOPMENT CENTER

Notes to Financial Statements

Note 9. Notes Payable (Continued)

The Center makes monthly payments to the paying agent who deposits the payments into an escrow account until the due date of the principle. The Center considers these monthly payments to the escrow agent as principle payments on the bond.

Principal payments required in future years as of May 31, 2008, are as follows:

<u>Year</u>	<u>Amount</u>
2009	\$ 196,506
2010	196,615
2011	204,497
2012	212,542
2013	204,356
Thereafter	<u>3,044,665</u>
Total	<u>\$ 4,059,181</u>

Note 10. Operating Leases

The Center has commitments on one lease agreement for space rental as of May 31, 2008, as follows:

<u>Location in Louisiana</u>	<u>Lease Expiration</u>	<u>Monthly Payment</u>
Bogalusa Head Start	December 2012	\$ 2,500

Total lease expense included in occupancy expense in the accompanying financial statements for obligations under this lease and other month to month leases is \$204,256 and \$185,854, for the years ended May 31, 2008 and 2007, respectively; which includes in kind rent donation of \$106,500 and \$68,191, respectively.

REGINA COELI CHILD DEVELOPMENT CENTER

Notes to Financial Statements

Note 10. Operating Leases (Continued)

Annual lease commitments required in future years as of May 31, 2008, are as follows:

<u>Leases</u>	<u>Amount</u>
2009	\$ 30,000
2010	30,000
2011	30,000
2012	<u>17,500</u>
Total	<u><u>\$ 107,500</u></u>

Note 11. Restrictions on Assets

All assets acquired with Department of Health and Human Services funds are owned by Regina Coeli Child Development Center while used in the Head Start program for which they were purchased. The Department of Health and Human Services, however, has a reversionary interest in the assets purchased with grant funds, which includes all assets reported as fixed assets. Therefore, the disposition of these assets as well as the ownership of any sale proceeds there from, is subject to the funding source requirements of the Department of Health and Human Services.

Note 12. Contingencies

On January 30, 1998, the Center executed a cooperative endeavor agreement with the Louisiana Board of Trustees for State Colleges and Universities. Pursuant to the agreement, the Center receives the use of land for its center located on the campus of Southeastern Louisiana University at no cost for a term of fifteen years. At termination of the agreement or upon default of the Center, the buildings at that location would have to be relocated.

Note 13. Construction Commitment

On October 13, 2007, the Center entered into a contract to construct a new center in Pearl River, Louisiana. The contract with change orders totaled \$2,385,382. At May 31, 2008, \$1,683,438 has been incurred on the contract with \$701,944 remaining to be incurred in the subsequent year.

REGINA COELI CHILD DEVELOPMENT CENTER

Notes to Financial Statements

Note 14. Insurance

As of May 31, 2008, the Center has the following insurance coverages:

Insurer	Policy Expiration Date	Amount of Coverage	Type of Coverage
Granite State Insurance	06/08	\$ 1,000,000	Business Auto
		1,000,000	Bodily Injury
		1,000,000	Uninsured Hired/Non-Owned
Granite State Insurance	06/08	3,000,000	General Liability
		1,000,000	Aggregate
		1,000,000	Personal/Advertising
		100,000	Each Occurrence
		5,000	Fire Damage Medical Expense
Granite State Insurance	06/08	11,947,000	Buildings
		2,597,560	Contents
		202,000	Improvements
American Reliable Ins. Co. Building	04/09	500,000	Hammond HS Flood
		84,000	Hammond Flood- Contents
Travelers Insurance Company	11/08	1,000,000	Directors and Officers Liability
Fidelity and Deposit Co. of Maryland	09/08	300,000	Employee Dishonesty
Members of American International Group	06/08	5,000	Student Accident
			Accidental Death
			Accidental
		5,000	Dismemberment
		10,000	Accidental Medical
	10,000	Accidental Dental	
	50,000	Aggregate	
Fidelity and Deposit Co. of Maryland	06/08	300,000	

SUPPLEMENTAL INFORMATION

RESINA COELI CHILD DEVELOPMENT CENTER
 Schedule of Federal Awards by Catalog of Federal
 Domestic Assistance (CFDA) Number and
 Other Financial Assistance
 For the Year Ended May 31, 2008

	Department of Agriculture Agriculture 10.558				Department of Health and Human Services Head Start Programs 93.600				Total Federal Programs	Other Financial Assistance	Plant Fund	Total All Funds				
	Child Care Food Program		Migrant Head Start Program Project # 90CM0101-005		06-01-07 to 01-31-08		02-01-08 to 05-31-08						Total Federal Programs	Other Financial Assistance	Plant Fund	Total All Funds
	PA-22 and PA-25	PA-26 and PA-28	Grant #06CH600736	Grant #05WH00D401	06-01-07 to 01-31-08	02-01-08 to 05-31-08	Total	Total								
Revenues																
Grants	\$ 1,042,748		\$ 11,439,177	\$ 148,626	\$ 1,485,160	\$ 13,072,963	\$ 646,920	\$ 317,253	\$ 964,173	\$ 27,111	\$ -	\$ 15,108,985				
Cash Contributions	-	-	-	-	-	-	-	-	-	85,759	-	85,759				
Other Income	541	-	-	-	-	-	-	-	541	130,175	3,036	133,752				
Interest Income	-	57	-	-	57	-	-	-	57	911	28,970	29,938				
In-Kind Contributions	-	1,934,739	-	-	1,934,739	-	26,213	3,903	1,964,855	-	-	1,964,855				
Total Revenues	1,043,289	13,373,973	148,626	1,485,160	15,007,759	673,133	321,156	994,289	17,045,337	243,966	32,006	17,321,299				
Expenses																
Personnel	233,585	7,743,107	24,827	-	7,767,934	437,961	232,130	670,091	8,671,610	16,879	-	8,688,489				
Fringe Benefits	148,669	1,555,442	5,075	-	1,560,517	87,688	47,005	134,693	1,843,879	1,965	-	1,845,844				
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	287,984	287,984				
Food Costs	525,199	-	-	-	-	-	-	-	525,199	1,517	-	526,716				
Other	-	66,826	-	-	66,826	3,376	1,191	4,569	90,395	21,391	-	111,786				
Occupancy	89,896	529,201	-	-	529,201	36,694	9,515	46,209	665,305	12,935	-	678,241				
Training	177	939	118,724	-	119,663	2,740	4,906	7,646	127,486	1,488	-	128,974				
Interest Expense	-	-	-	-	-	-	-	-	-	-	261,667	261,667				
Educational Supplies	-	191,893	-	-	191,893	13,253	5,310	18,563	210,456	30,152	-	240,608				
Insurance	-	249,566	-	-	249,566	1,920	1,920	3,840	251,486	-	-	251,486				
Travel	6,693	292,690	-	-	299,383	19,376	7,137	26,513	325,896	8,445	-	334,341				
Other Supplies	39,070	193,192	-	-	193,192	10,460	2,435	12,895	245,157	5,694	-	250,851				
Consultants	-	130,349	-	-	130,349	5,918	120	6,038	136,387	-	-	136,387				
Fundraising	-	-	-	-	-	-	-	-	-	4,805	-	4,805				
In-Kind Expenditures	-	1,934,739	-	-	1,934,739	26,213	3,903	30,116	1,964,855	-	-	1,964,855				
Total Expenses	1,043,289	12,906,944	148,626	-	13,055,570	645,601	313,652	959,253	15,058,112	105,171	559,651	15,722,934				
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	467,029	-	1,485,160	1,952,189	27,532	7,504	35,036	1,987,225	138,785	(527,645)	1,598,365				
Transfers to Plant Fund - Net	-	(467,029)	-	(1,485,160)	(1,952,189)	(27,532)	(7,504)	(35,036)	(1,987,225)	(77,444)	2,064,669	-				
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	331,897	3,661,324	3,993,221				
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 393,238	\$ 5,198,348	\$ 5,591,586				

See independent auditors' report

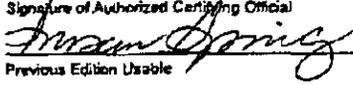
**FINANCIAL STATUS REPORT
(Long Form)**

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted HHS/ACF		2. Federal Grant or Other Identifying Number Assigned By Federal Agency 06CK6007/38		OMB Approval No. 0348-0039	Page of 1 pages
3. Recipient Organization (Name and complete address, including ZIP code) Regina Coeli Child Development Center 22476 Highway 190 Robert, LA 70455					
4. Employer Identification Number 72 0680604		5. Recipient Account Number or Identifying Number		8. Final Report <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
7. Basis <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual					
6. Funding/Grant Period (See instructions) From: (Month, Day, Year) June 1, 2007		To: (Month, Day, Year) May 31, 2008		9. Period Covered by this Report From: (Month, Day, Year) December 1, 2007	
To: (Month, Day, Year) May 31, 2008					
10. Transactions:					
		I Previously Reported	? This Period	III Cumulative	
a. Total outlays		5,971,719	7,646,740	13,618,459	
b. Refunds, rebates, etc.		0	0	0	
c. Program income used in accordance with the deduction alternative		11,026	18,971	29,997	
d. Net outlays (Line a, less the sum of lines b and c)		5,960,693	7,627,769	13,588,462	
Recipient's share of net outlays, consisting of:					
e. Third party (in-kind) contributions		565,494	1,369,245	1,934,739	
f. Other Federal awards authorized to be used to match this award		0	0	0	
g. Program income used in accordance with the matching or cost sharing alternative		0	0	0	
h. All other recipient outlays not shown on lines e, f or g		0	65,920	65,920	
i. Total recipient share of net outlays (Sum of lines e, f, g and h)		565,494	1,435,165	2,000,659	
j. Federal share of net outlays (line d less line i)		5,395,199	6,192,604	11,587,803	
k. Total unliquidated obligations				0	
l. Recipient's share of unliquidated obligations				0	
m. Federal share of unliquidated obligations				0	
n. Total Federal share (sum of lines j and m)				11,587,803	
o. Total Federal funds authorized for this funding period				11,587,803	
p. Unobligated balance of Federal funds (Line o minus line n)				0	
Program Income, consisting of:					
q. Disbursed program income shown on lines c and/or g above				29,997	
r. Disbursed program income using the addition alternative				0	
s. Undisbursed program income				0	
t. Total program income realized (Sum of lines q, r and s)				29,997	
11. Indirect Expense		a. Type of Rate (Place "X" in appropriate box) <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed			
		b. Rate	c. Base	d. Total Amount	e. Federal Share
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation. USDA/CACFP = \$1,042,748 T&TA = \$148,626 Administrative Expenses = \$2,033,163					
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.					
Typed or Printed Name and Title Susan Spring, Executive Director				Telephone (Area code, number and extension) 985-318-8800, ext 206	
Signature of Authorized Certifying Official <i>Susan Spring</i>				Date Report Submitted 8/29/08	

**FINANCIAL STATUS REPORT
(Long Form)**

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted OA/OGM/Region VI		2. Federal Grant or Other Identifying Number Assigned By Federal Agency 06WR0004/01		OMB Approval No. 0348-0039	Page of 1 pages
3. Recipient Organization (Name and complete address, including ZIP code) Regina Coal Child Development Center 22476 Highway 180 Robert, LA 70455					
4. Employer Identification Number 72 0680604		5. Recipient Account Number or Identifying Number		6. Final Report <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
7. Basis <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual		8. Funding/Grant Period (See instructions) From: (Month, Day, Year) September 1, 2006			
9. Period Covered by this Report From: (Month, Day, Year) August 31, 2009		10. Period Covered by this Report From: (Month, Day, Year) March 1, 2008			
10. Transactions:					
		I	II	III	
		Previously Reported	This Period	Cumulative	
a. Total outlays		534,376	950,784	1,485,160	
b. Refunds, rebates, etc.		0	0	0	
c. Program income used in accordance with the deduction alternative		0	0	0	
d. Net outlays (Line a; less the sum of lines b and c)		534,376	950,784	1,485,160	
Recipient's share of net outlays, consisting of:					
e. Third party (in-kind) contributions		0	0	0	
f. Other Federal awards authorized to be used to match this award		0	0	0	
g. Program income used in accordance with the matching or cost sharing alternative		0	0	0	
h. All other recipient outlays not shown on lines e, f, or g		0	0	0	
i. Total recipient share of net outlays (Sum of lines e, f, g and h)		0	0	0	
j. Federal share of net outlays (line d less line i)		534,376	950,784	1,485,160	
k. Total unliquidated obligations				0	
l. Recipient's share of unliquidated obligations				0	
m. Federal share of unliquidated obligations				0	
n. Total Federal share (sum of lines j and m)				1,485,160	
o. Total Federal funds authorized for this funding period				1,485,160	
p. Unobligated balance of Federal funds (Line o minus line n)				0	
Program income, consisting of:					
q. Disbursed program income shown on lines e and/or g above				0	
r. Disbursed program income using the addition alternative				0	
s. Undisbursed program income				0	
t. Total program income realized (Sum of lines q, r and s)				0	
11. Indirect Expense	a. Type of Rate (Place "X" in appropriate box)				
	<input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed				
	b. Rate	c. Base	d. Total Amount	e. Federal Share	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.					
Typed or Printed Name and Title Susan Spring, Executive Director			Telephone (Area code, number and extension) 985-318-8800		
Signature of Authorized Certifying Official 			Date Report Submitted 8/31/08		

REGINA COELI CHILD DEVELOPMENT CENTER
 Schedule of Expenditures of Federal Awards
 For the Year Ended May 31, 2008

Federal Grantor	CFDA Number	Grant Period	Grant Contract or Award Number	Total Grant Award	(Accrued) Deferred Revenues 5-31-07	Cash Received	Revenues Recognized	Expenditures	(Accrued) Deferred Revenues 5-31-08
U.S. Department of Agriculture Child Care Food Program (Passed through the Louisiana Department of Education)	10.558	6/1/07 to 5/31/08	N/A	\$ 1,042,748	\$ (190,779)	\$ 1,018,368	\$ 1,042,748	\$ 1,042,748	\$ (215,158)
U.S. Department of Health and Human Services Head Start - Major Program	93.600	6/1/07 to 5/31/08	06CH6007/38	11,587,803	(733,890)	13,316,775	13,072,963	13,072,963	(490,078)
Migrant Head Start - Major Program (Passed through the Community Action Program for Central Arkansas)	93.600 93.600	6/1/07 to 1/31/08 2/1/08 to 5/31/08	90CM0101 90CM0101	646,920 317,453	(75,795) -	722,715 280,131	646,920 317,253	646,920 317,253	- (37,122)
Total Department of Health and Human Services					(809,685)	14,319,621	14,037,136	14,037,136	(527,200)
Total Federal Grants					\$ (1,000,464)	\$ 15,337,989	\$ 15,079,884	\$ 15,079,884	\$ (742,358)

See accompanying notes to schedule of expenditures of federal awards.

REGINA COELI CHILD DEVELOPMENT CENTER
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended May 31, 2008

Notes to Schedule of Expenditures of Federal Awards

Note 1. Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is a summary of the Center's federal award programs presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Note 2. Community Facilities Loans

As of May 31, 2008, Regina Coeli Child Development Center had a loan outstanding to the U.S. Department of Agriculture as follows:

Livingston Center	<u>\$ 589,715</u>
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The above loan is not included in the Schedule of Expenditures of Federal Awards because there are no related compliance requirements other than timely payment.

REGINA COELI CHILD DEVELOPMENT CENTER
Schedule of Board Members
May 31, 2008

<u>Board Member</u>	<u>Compensation</u>	<u>Board Member</u>	<u>Compensation</u>
Shannon Anderson PO Box 919 Amite, LA 70422 (985) 974-8994	\$ -0-	Catherine Faciane 35570 East Doucette Rd. Slidell, LA 70460 (985) 643-7696	\$ -0-
Eric R. Bissel 227 N. Columbia St. Covington, LA 70433 (985) 893-9489	\$ -0-	Vera Jones 1609 Loretta St. Donaldsonville, LA 70346 (225) 717-1196	\$ -0-
Mike Blossman 227 Old Landing Rd. Covington, LA 70433 (985) 892-7863	\$ -0-	Jean Krieger 107 Pine Ln. Mandeville, LA 70471 (985) 624-3529	\$ -0-
Jeannette Brady 25288 Highway 16 Amite, LA 70422 (985) 318-8800	\$ -0-	Alex Kropog 30165 George White Rd. Holden, LA 70744 (225) 686-2436	\$ -0-
Linda Coleman 1094 McDaniel Rd. Amite, LA 70422 (985) 517-6417	\$ -0-	Kathi Legg 210 W. Robert, Apt. #12 Hamond, LA 70744 (985) 543-4165	\$ -0-
Jean Dawsey 81030 Dawsey Rd. Covington, LA 70435 (985) 892-2611	\$ -0-	Hildra Martin 2624 S. Columbia Rd. Bogalusa, LA 70427 (985) 732-4052	\$ -0-
Victor Doucette 32140 Bayou Paquet Rd. Slidell, LA 70460 (985) 643-8971	\$ -0-	Ralph G. Miller 50132 Huckleberry Ln. Folsom, LA 70457 (985) 796-3308	\$ -0-
Cynthia Elliott 2230 Oleander Baton Rouge, LA 70806 (225) 921-6408	\$ -0-	Carol Torrey 350 Hyacinth Ln. Mandeville, LA 70471 (985) 626-1168	\$ -0-



**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
Regina Coeli Child Development Center
Robert, Louisiana

We have audited the financial statements of Regina Coeli Child Development Center (a non-profit entity) as of and for the year ended May 31, 2008, and have issued our report thereon dated September 17, 2008. We conducted our audits 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Regina Coeli Child Development Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Regina Coeli Child Development Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Regina Coeli Child Development Center's internal control over financial reporting.

A control deficiency exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Regina Coeli Child Development Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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



A Professional Accounting Corporation

September 17, 2008



**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Regina Coeli Child Development Center
Robert, Louisiana

Compliance

We have audited the compliance of Regina Coeli Child Development Center (a non-profit entity) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended May 31, 2008. Regina Coeli Child Development Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Regina Coeli Child Development Center's management. Our responsibility is to express an opinion on Regina Coeli Child Development Center's compliance based on our audit.

We conducted our 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 we 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 Regina Coeli Child Development Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Regina Coeli Child Development Center's compliance with those requirements.

In our opinion, Regina Coeli Child Development Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended May 31, 2008.

Internal Control Over Compliance

The management of Regina Coeli Child Development Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Regina Coeli Child Development Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Regina Coeli Child Development Center's internal control over compliance.

A control deficiency in the entity's internal control over compliance exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that a noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness as defined above.

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



A Professional Accounting Corporation

September 17, 2008

REGINA COELI CHILD DEVELOPMENT CENTER
Schedule of Findings and Questioned Costs

For the Year Ended May 31, 2008

Section 1

Financial Statements

- | | | |
|----|---|-------------|
| 1. | Type of auditors' report | Unqualified |
| 2. | Internal control over financial reporting | |
| | a. Material weaknesses identified | None |
| | b. Significant deficiencies identified not considered to be material weaknesses | None |
| | c. Noncompliance material to the financial statements noted | None |

Federal Awards

- | | | |
|----|---|--------------------|
| 1. | Internal control over major programs | |
| | a. Material weaknesses identified | None |
| | b. Significant deficiencies identified not considered to be material weaknesses | None |
| 2. | Type of auditors' report issued on compliance for each major program | Unqualified |
| 3. | Audit findings disclosed that are required in accordance with OMB A-133, Section 510(a) | None |
| 4. | Identification of major programs | |
| | 93.600 | Head Start |
| | 93.600 | Migrant Head Start |
| 5. | Dollar threshold used to distinguish between Type A and B programs | \$452,403 |
| 6. | Auditee qualified as a low - risk auditee under OMB A-133 Section 530 | Yes |

Section 2

Financial Statement Findings

None

Section 3

Federal Awards Findings and Questioned Costs

None