

SOUTHEAST COMMUNITY SERVICES, INC.

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2012

**SOUTHEAST COMMUNITY SERVICES, INC.**  
**FINANCIAL STATEMENTS**  
**WITH SUPPLEMENTAL INFORMATION**  
**SEPTEMBER 30, 2012**

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**SOUTHEAST COMMUNITY SERVICES, INC.  
FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION  
SEPTEMBER 30, 2012**

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A PROFESSIONAL ACCOUNTING CORPORATION**

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*Louisiana Society of Certified Public Accountants  
American Institute of Certified Public Accountants  
Association of Governmental Accountants  
Governmental Audit Quality Control Center*

**INDEPENDENT AUDITORS' REPORT**

Board of Trustees of  
Southeast Community Services, Inc.  
P. O. Box 196  
Tickfaw, Louisiana 70466

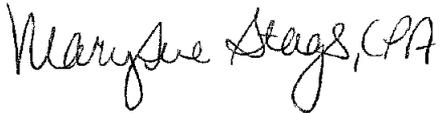
We have audited the accompanying statement of financial position of the Family Day Care Home Program of Southeast Community Services, Inc. (a non-profit organization) as of September 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 we plan and perform the audit 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 audit provides 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 the Family Day Care Home Program of Southeast Community Services, Inc. as of September 30, 2012, and the changes in its net assets and its cash flows for the year 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 a report dated March 31, 2013, on our consideration of the Family Day Care Home Program of Southeast Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with 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 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 considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying 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 is not a required part of the financial statements. The schedule of functional expenses and other schedules as listed in the table of contents under supplemental information are 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 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 procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script that reads "Mary Sue Stages, CPA". The signature is written in black ink and is positioned above the typed name and title.

Mary Sue Stages, CPA  
A Professional Accounting Corporation  
March 31, 2013

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## FINANCIAL STATEMENTS

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**SOUTHEAST COMMUNITY SERVICES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2012**

<u>ASSETS</u>	<u>Administrative</u>	<u>General</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 27,339.05	\$ 28,907.33	\$ 56,246.38
Due from Department of Education	109,137.50	-	109,137.50
Total Current Assets/TOTAL ASSETS	136,476.55	28,907.33	165,383.88
<u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities			
Accounts payable	1,061.61	864.66	1,926.27
Payroll withholdings payable	5,651.32	-	5,651.32
Accrued salaries payable	14,394.48	-	14,394.48
Due to providers	105,528.56	-	105,528.56
Total Current Liabilities/Total Liabilities	126,635.97	864.66	127,500.63
Net Assets			
Unrestricted	9,840.58	28,042.67	37,883.25
TOTAL LIABILITIES AND NET ASSETS	136,476.55	28,907.33	165,383.88

See Accompanying Notes and Independent Auditors' Report

**SOUTHEAST COMMUNITY SERVICES, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2012**

<u>UNRESTRICTED NET ASSETS</u>	<u>Administrative</u>	<u>General</u>	<u>Total</u>
<b>SUPPORT AND OTHER GAINS</b>			
Administrative reimbursement	\$ 279,027.00	\$ -	\$ 279,027.00
Fundraisers and other receipts	-	7,955.00	7,955.00
Total Support and Other Gains	279,027.00	7,955.00	286,982.00
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Restrictions satisfied by payments	1,451,890.55	-	1,451,890.55
Total Support, Other Gains and Reclassifications	1,730,917.55	7,955.00	1,738,872.55
<b>EXPENSES</b>			
Program services	1,451,890.55	300.17	1,452,190.72
Supporting services	270,580.91	4,194.65	274,775.56
Total Expenses	1,722,471.46	4,494.82	1,726,966.28
Increase in Unrestricted Net Assets	8,446.09	3,460.18	11,906.27
<b><u>TEMPORARILY RESTRICTED NET ASSETS</u></b>			
Support from meal reimbursements	1,451,890.55	-	1,451,890.55
Net assets released from restrictions:	-	-	
Restrictions satisfied by payments	(1,451,890.55)	-	(1,451,890.55)
Increase in Temporarily Restricted Net Assets	-	-	-
<b>CHANGE IN NET ASSETS</b>	8,446.09	3,460.18	11,906.27
<b>NET ASSETS, BEGINNING</b>	1,394.49	24,582.49	25,976.98
<b>NET ASSETS, ENDING</b>	9,840.58	28,042.67	37,883.25

See Accompanying Notes and Independent Auditors' Report

**SOUTHEAST COMMUNITY SERVICES, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2012**

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from administrative reimbursement	\$ 279,027.00
Cash received from program reimbursement - meals	1,462,398.54
Cash received from fundraising efforts	7,955.00
Cash paid to/on behalf of employees for services	(209,752.09)
Cash paid to providers for program expenses	(1,460,126.65)
Cash paid to suppliers for program/activity expenses	(64,215.22)
Net Cash Provided by Operating Activities	15,286.58
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
	-
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
	-
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	15,286.58
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	40,959.80
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	56,246.38
 <b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Change in net assets	11,906.27
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
(Increase) decrease in assets:	
Accounts receivable	10,507.99
Increase (decrease) in liabilities:	
Accounts payable	466.65
Payroll withholding payables	70.10
Accrued salaries payable	271.50
Due to providers	(7,935.93)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	15,286.58

See Accompanying Notes and Independent Auditors' Report

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**NOTES TO FINANCIAL STATEMENTS**

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**SOUTHEAST COMMUNITY SERVICES, INC.**  
**INDEX TO NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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**SOUTHEAST COMMUNITY SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The Family Day Care Home Program of Southeast Community Services, Inc. (hereafter referred to as the Organization) is a private agency located in Tangipahoa Parish, Louisiana and chartered under the laws of the State of Louisiana as a non-profit corporation. Its purpose is to provide social services and other benefits to primarily low income, disabled, elderly or other disadvantaged residents of Ascension, East Baton Rouge, St. James and Tangipahoa parishes and to mobilize resources for the conduct of these efforts. It engages in the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226.

It operates on a fiscal year ending September 30<sup>th</sup>, and its significant accounting policies are as follows:

**Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Receivables**

Accounts receivable are stated at net realizable value. The Organization maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers/vendors to make required payments. Because collection is expected at 100%, an allowance for doubtful accounts has not been recorded.

**Inventory**

Inventory includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

**Support and Expenses**

The Organization reports administrative and program reimbursements on the accrual basis of accounting. The amounts due to providers are also reported on the accrual basis of accounting. A donor restriction applies to the program reimbursement, and the amount is shown as temporarily restricted net assets. When the donor restriction expires, that is, when the stipulated restriction ends by payments to the providers, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted reimbursements whose restrictions are met in the same reporting period are reported as unrestricted support.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Advertising costs are expenses as incurred. These totaled \$666.41 during the year.

**SOUTHEAST COMMUNITY SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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**Use of Estimates**

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

**Financial Statement Presentation**

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117 "*Financial Statement of Not-For-Profit Organization.*" Under SFAS No. 117, the Organization is required to report information regarding its net assets and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this new statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets in the year this standard was adopted.

**Income Taxes**

The Organization is a division of a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The federal income tax returns of the company for fiscal years 2009, 2010, 2011 and 2012 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

Demand deposits	\$ <u>56,246.38</u>
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Of this amount, \$27,339.05 is maintained in the administrative and provider to be utilized for the family day care home program. The remaining funds are held by the General Fund and can be utilized at the discretion of management.

There is \$77,208 maintained in a separate bank account in accordance with rules and regulations applicable to charitable gaming. The activity of this account is not reported in the accompanying financial statements.

**NOTE 3 – RECEIVABLES**

Receivables are stated at the amount the Organization expects to collect. Management considers all receivables to be collectible at September 30, 2012.

**SOUTHEAST COMMUNITY SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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Receivables at year-end consist of the following:

Due from Department of Education	\$ <u>109,137.50</u>
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NOTE 4 – ACCOUNTS AND OTHER PAYABLES

Payables at year-end include the following:

Trade	\$ 1,926.27
Payroll withholdings	5,651.32
Accrued salaries	14,394.48
Providers	<u>105,528.56</u>
Total	<u>127,500.63</u>

NOTE 5 – RESTRICTIONS ON NET ASSETS

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

NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS

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

Purpose restriction accomplished:

Meals provided	\$ <u>1,451,890.55</u>
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NOTE 7 – FUNCTIONAL ALLOCATION OF EXPENSES

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

NOTE 8 – CHARITABLE GAMING

The Organization began participating in the State's charitable gaming program in March of 2007. As required by applicable regulations, the funds generated are separately reported and maintained. Other than those related to the conduct of the gaming sessions, expenditures are restricted for the benefit of the Organization's charitable programs.

**SOUTHEAST COMMUNITY SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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NOTE 9 – CONCENTRATIONS

*Receivables and Revenues.* All receivables recorded are due from the Louisiana Department of Education, Division of Nutrition Assistance. Approximately 99% of the Organization's support is paid by the Department of Education, State of Louisiana through the U.S. Department of Agriculture Food and Nutrition Services, Family Day Care Home Program, under 7 CFR Part 226.

*Geographical Market.* The Organization is approved to operate in the parishes of Ascension, East Baton Rouge, St. James and Tangipahoa. Volume is dependent on the willing and eligible providers in these areas.

NOTE 10 – LITIGATION

We are not aware of any pending or threatened litigation, claims or assessments that are required to be accrued or disclosed in the accompanying financial statements.

NOTE 11 – SUBSEQUENT EVENTS

There were no subsequent events between the close of the fiscal year and the date of this report that would materially impact the accompanying financial statements.

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**SUPPLEMENTAL INFORMATION**

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**SOUTHEAST COMMUNITY SERVICES, INC.**  
**SCHEDULES OF FUNCTIONAL EXPENSES**  
**ADMINISTRATIVE FUND**  
**YEARS ENDED SEPTEMBER 30, 2012 AND 2011**

<u>Account Name</u>	<u>2012</u>		<u>2011</u>	
	<u>Program</u>	<u>Supporting</u>	<u>Program</u>	<u>Supporting</u>
Accounting fees	\$ -	\$ 4,500.00	\$ -	\$ 4,320.00
Advertising	-	666.41	-	590.11
Audit fees	-	2,810.00	-	2,810.00
Bank charges	-	36.00	-	144.00
Insurance - group	-	15,369.33	-	15,474.12
Insurance - workers' comp	-	1,400.00	-	1,400.00
Minute Menu	-	5,760.00	-	2,727.50
Office supplies	-	12,328.62	-	7,541.09
Postage	-	4,191.50	-	3,222.49
Professional development	-	1,761.13	-	2,115.64
Provider payments	1,451,890.55	-	1,312,508.28	-
Provider training	-	1,581.42	-	1,868.28
Equipment rent/acquisition	-	4,062.01	-	3,841.50
Rent	-	2,640.00	-	2,200.00
Repairs and maintenance	-	858.20	-	919.19
Salaries	-	180,486.52	-	168,969.84
Payroll taxes	-	14,237.84	-	13,009.77
Telephone	-	5,324.65	-	5,440.79
Travel	-	12,567.28	-	13,343.36
Totals	<u>1,451,890.55</u>	<u>270,580.91</u>	<u>1,312,508.28</u>	<u>249,937.68</u>

See Independent Auditors' Report

**SOUTHEAST COMMUNITY SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2012**

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Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Federal Expenditures
U. S. Department of Agriculture Food and Nutrition Services Child and Adult Care Food Program	10.558	
<b>Family Day Care Home Program</b>		
Pass-Through State of Louisiana, Department of Education Division of Nutrition		
	Program services:	
	Meals	\$ 1,462,398.54
	Supporting services	<u>279,027.00</u>
	<b>Total Federal Award Expenditures</b>	<u><u>1,741,425.54</u></u>

**Notes to Schedules of Expenditures of Federal Awards  
Year Ended September 30, 2012**

**Basis of Presentation**

This schedule of expenditures of federal awards includes the federal grant activity of the Family Day Care Home Program and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

**MARY SUE STAGES, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION**

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Governmental Audit Quality Control Center*

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

Board of Trustees of  
Southeast Community Services, Inc.  
P. O. Box 196  
Tickfaw, Louisiana 70466

We have audited the financial statements of the Family Day Care Home Program of Southeast Community Services, Inc. (a non-profit organization) as of and for the year ended September 30, 2012, and have issued our report thereon dated March 31, 2013. We conducted our 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.

**Compliance and Other Matters**

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

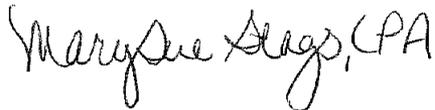
## Internal Control over Financial Reporting

In planning and performing our audit, we considered the Family Day Care Home Program of Southeast Community Services, Inc.'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 the Family Day Care Home Program of Southeast Community Services, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Family Day Care Home Program of Southeast Community Services, Inc.'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 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.

Our consideration of the 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor and federal awarding agencies and pass-through 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.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
March 31, 2013

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A PROFESSIONAL ACCOUNTING CORPORATION**

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*Louisiana Society of Certified Public Accountants  
American Institute of Certified Public Accountants  
Association of Governmental Accountants  
Governmental Audit Quality Control Center*

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

Board of Trustees of  
Southeast Community Services, Inc.  
P. O. Box 196  
Tickfaw, Louisiana 70466

**Compliance**

We have audited the compliance of the Family Day Care Home Program of Southeast Community Services, Inc. (a nonprofit organization) 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 September 30, 2012. The Organization'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 referred to above is the responsibility of the Family Day Care Home Program of Southeast Community Services, Inc.'s management. Our responsibility is to express an opinion on the Family Day Care Home Program Southeast Community Services, Inc.'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 identified in the accompanying schedule of findings and questions costs occurred. An audit includes examining, on a test basis, evidence about the Family Day Care Home Program of Southeast Community Services, Inc.'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 the Family Day Care Home Program of Southeast Community Services, Inc.'s compliance with those requirements.

In our opinion, the Family Day Care Home Program of Southeast Community Services, Inc. complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended September 30, 2012.

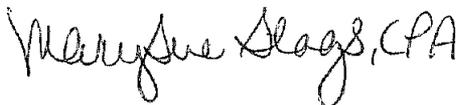
### **Internal Control Over Compliance**

Management of the Family Day Care Home Program of Southeast Community Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit, we considered the Family Day Care Home Program of Southeast Community Services, Inc.'s internal control over compliance with the 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 and to test and report on the 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, we do not express an opinion on the effectiveness of the Family Day Care Home Program of Southeast Community Services, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the 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 that might be deficiencies, significant deficiencies or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the Organization, the 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.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
March 31, 2013

**MARY SUE STAGES, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION**

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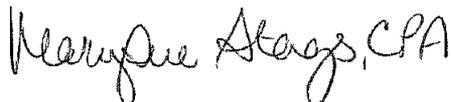
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*Louisiana Society of Certified Public Accountants  
American Institute of Certified Public Accountants  
Association of Governmental Accountants  
Governmental Audit Quality Control Center*

**INDEPENDENT AUDITORS' REPORT  
ON CLAIMS FOR REIMBURSEMENT**

Board of Trustees of  
Southeast Community Services, Inc.  
P. O. Box 196  
Tickfaw, Louisiana 70466

We have examined the accompanying claims for reimbursements (Audited Statements of Claims attached) submitted by the Family Day Care Home Program of Southeast Community Services, Inc. under FDCH. Our examination was made in accordance with auditing standards established by the AICPA and with generally accepted government auditing standards established by the Comptroller General of the United States and included tests of programs and accounting records prescribed by the USDA-OIG guide for audits of this program. In our opinion, the aforementioned claims present fairly the number of meals or supplements eligible for reimbursement for the period October 1, 2011 through September 30, 2012.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
March 31, 2013

**SOUTHEAST COMMUNITY SERVICES, INC.**  
**AUDITED STATEMENT OF CLAIMS**  
**YEARS ENDED SEPTEMBER 30, 2012 AND 2011**

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<u>REIMBURSEMENT PER AUDIT</u>	<u>2012</u>	<u>2011</u>
Administrative	\$ 279,027.00	\$ 253,293.00
Program - meals	1,451,890.55	1,312,508.28
Total Reimbursement Per Audit	1,730,917.55	1,565,801.28
<u>REIMBURSEMENTS CLAIMED AND RECEIVED</u>		
Administrative	279,027.00	253,293.00
Program - meals	1,451,890.55	1,312,508.28
Total Reimbursement Claimed and Received	1,730,917.55	1,565,801.28
(OVER) UNDER CLAIM	-	-

**SOUTHEAST COMMUNITY SERVICES, INC.**  
**SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2012**

<u>MEALS SERVED</u>	<u>NUMBER SERVED BY MEAL TYPE</u>				
	<u>Breakfast</u>	<u>Lunch</u>	<u>Supplements</u>	<u>Supper</u>	<u>Total</u>
<i>FROM OCTOBER 1, 2011 TO JUNE 30, 2012</i>					
Tier 1	83,758	106,790	249,662	229,418	669,628
Reimbursement rate	\$ 1.24	\$ 2.32	\$ 0.69	\$ 2.32	
Total for period	\$ 103,859.92	\$ 247,752.80	\$ 172,266.78	\$ 532,249.76	\$ 1,056,129.26
<i>FROM JULY 1, 2012 TO SEPTEMBER 30, 2012</i>					
Tier 1	29,208	45,221	87,123	79,489	241,041
Reimbursement rate	\$ 1.27	\$ 2.38	\$ 0.71	\$ 2.38	
Total for period	\$ 37,094.16	\$ 107,625.98	\$ 61,857.33	\$ 189,183.82	\$ 395,761.29
<b>TOTAL MEALS SERVED</b>	<b>112,966</b>	<b>152,011</b>	<b>336,785</b>	<b>308,907</b>	<b>910,669</b>
<b>TOTAL REIMBURSEMENT</b>	<b>\$ 140,954.08</b>	<b>\$ 355,378.78</b>	<b>\$ 234,124.11</b>	<b>\$ 721,433.58</b>	<b>\$ 1,451,890.55</b>

See Independent Auditors' Report

**SOUTHEAST COMMUNITY SERVICES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 2012**

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**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 Southeast Community Services, Inc.
2. No material weaknesses were identified 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 Southeast Community Services, Inc. were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for the Family Day Care Home Program of Southeast Community Services, Inc. expresses an unqualified opinion.
6. 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 programs tested as major programs included: U.S. Department of Agriculture Food and Nutrition Services, Child and Adult Care Food Program (10.558).
8. The threshold for distinguishing Types A and B programs was \$500,000.
9. The Family Day Care Home Program of Southeast Community Services, Inc. qualified as a low-risk auditee.

**FINANCIAL STATEMENTS AUDIT**

None

**MAJOR FEDERAL AWARDS PROGRAM AUDIT**

None

**SOUTHEAST COMMUNITY SERVICES, INC.**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**YEAR ENDED SEPTEMBER 30, 2012**

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**Section I Internal Control and Compliance Material to the Financial Statements**

N/A

**Section II Internal Control and Compliance Material to Federal Awards**

N/A

**Section III Financial Statement Findings**

N/A

**Section IV Management Letter**

N/A