



**OFFICE OF AUDITOR OF STATE  
STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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**NEWS RELEASE**

FOR RELEASE \_\_\_\_\_ October 5, 2016

Contact: Andy Nielsen  
515/281-5834

Auditor of State Mary Mosiman released agreed-upon procedures reports on twelve agreements between the Bureau of Nutrition and Health Services of the Iowa Department of Education and child care centers for the period October 1, 2014 through September 30, 2015.

The agreements specified federal criteria for the disbursement of Child and Adult Care Food Program assistance funds to child care centers. Reimbursements to child care centers are based on the number of meals and/or snacks served to eligible children.

Mosiman recommended the Centers review their control procedures to obtain the maximum internal control possible, develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate and ensure milk purchased during the month is sufficient based on the month's menus and meal pattern requirements.

Copies of the agreed-upon procedures reports are available for review in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1660-2820-BC00>.

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**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #529705  
THE ENCHANTED NEIGHBORHOOD  
IOWA CITY, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #529705  
The Enchanted Neighborhood**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Alicia Loughran-Dawson

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #529705  
The Enchanted Neighborhood  
Iowa City, Iowa**



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Mary Mosiman, CPA  
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Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of The Enchanted Neighborhood:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating The Enchanted Neighborhood's (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement was properly supported.
3. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and The Enchanted Neighborhood, and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and The Enchanted Neighborhood during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 12, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #529705  
The Enchanted Neighborhood

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	19,369	\$ 10,136	18,892	6,070	35,098
Reduced-price meals	485	171	141	126	438
Paid meals	6,095	589	632	196	1,417
	<u>25,949</u>	<u>\$ 10,896</u>	<u>19,665</u>	<u>6,392</u>	<u>36,953</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #529705  
The Enchanted Neighborhood  
Iowa City, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
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To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of The Enchanted Neighborhood:

At your request, we made inquiries and observations regarding The Enchanted Neighborhood's compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of our agreed-upon procedures, along with related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual is responsible for the preparation, approval and disbursement of bills, as well as preparing the monthly claim for reimbursement. In addition, the monthly claim for reimbursement is not reviewed by an independent person.

Recommendation - We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff. Independent reviews of the monthly claims for reimbursements should be performed and the review should be documented by the initials or signature of the reviewer and the date of the review.

Response – We have a small staff that isn't trained in submitting or counting meals. I will try and train other staff in this area. I will have another staff, that is trained, review my claim before submitting and have them initial them. Each individual meal is marked by the staff in each room. It is just the counting of the meals that will be addressed.

Conclusion – Response accepted.

- (B) Monthly Claim for Reimbursement – The Center submits a monthly claim for reimbursement which includes information related to the Center's attendance, the number of enrolled children in each of the reimbursement categories, the Center's percentage of children in the free and reduced-price categories and the number of meals/snacks served for the month.

For the month of July 2015, the Center under reported the number of enrolled children in the free category by one. The Center also under reported the number of meals served for children in the paid category by one.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #529705  
The Enchanted Neighborhood

Schedule of Findings

Year ended September 30, 2015

Response – We try very hard to keep the book updated weekly. Sometimes things get mismarked. I will have another staff look over the book monthly to make sure things are marked accurately, I will have them initial and tell me about changes that they think should be made.

Conclusion – Response accepted.

- (C) Milk Study – Meal pattern requirements specify the amount of milk required to be served at each meal and/or snack. A milk study was performed which compared the amount of milk required to be served based on the menus for the month to the actual amount of milk purchased and/or donated during the month. The Center only purchased 80% of the milk required to be served based on the menus for the month.

Recommendation – The Center should develop and implement procedures to ensure sufficient milk is purchased and served during the month based on the month's menus and meal pattern requirements, all receipts for milk purchases are retained and all milk donations are recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – There could have been milk purchased in June that was still left over that wasn't counted. We also have a child with a milk allergy that is documented that would not be drinking regular milk. We also get some donations we don't write down that we don't know who they are from. Also, sometimes if we are low on milk staff run to the gas station across the street and do not bring back receipts. I will try and count how much milk is purchased each month to make sure we are giving enough milk to each child. I will try and find out which room is not getting enough milk and ensure they are. I will also try and remind staff to write down any donations that we get.

Conclusion – Response accepted.

We would like to acknowledge the many courtesies and assistance extended to use by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and The Enchanted Neighborhood during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 12, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #529705  
The Enchanted Neighborhood

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Trent M. Mussmann, Senior Auditor  
Tyler H. Moran, Assistant Auditor  
Lucas P. Mullen, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State



**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #569703  
THE INERTIA CENTER  
KEOKUK, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #569703  
The Inertia Center**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Sarah Scott

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #569703  
The Inertia Center  
Keokuk, Iowa**



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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of The Inertia Center:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating The Inertia Center's (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
3. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and The Inertia Center, and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and The Inertia Center during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 15, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #569703  
The Inertia Center

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	16,865	\$ 7,427	18,722	5,407	31,556
Reduced-price meals	4,327	1,816	3,685	688	6,189
Paid meals	19,664	1,620	3,426	520	5,566
	<u>40,856</u>	<u>\$ 10,863</u>	<u>25,833</u>	<u>6,615</u>	<u>43,311</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #569703  
The Inertia Center  
Keokuk, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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Des Moines, Iowa 50319-0004

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To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of The Inertia Center:

At your request, we made inquiries and observations regarding The Inertia Center's compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of our agreed-upon procedures, along with related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual is responsible for the preparation, approval and disbursement of bills, as well as preparing the monthly claim for reimbursement. In addition, the monthly claim for reimbursement is not reviewed by an independent person.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff. Independent reviews of the monthly claims for reimbursements should be performed and the review should be documented by the initials or signature of the reviewer and the date of the review.

Response – We will implement another employee to perform reviews and have them document with a signature.

Conclusion – Response accepted.

- (B) Monthly Claim for Reimbursement – The Center submits a monthly claim for reimbursement which includes information related to the Center's attendance, the number of enrolled children in each of the reimbursement categories, the Center's percentage of children in the free and reduced price categories and the number of meals/snacks served for the month.

For the month of January 2015, the following findings were noted:

- The Center over reported the number of meals served for children in the paid category as 601 instead of 401, causing a total over claim of \$56.00.
- The Center claimed 62 meals/snacks for six children in the free category who were not in attendance during the time the meals/snacks were served. This included 2 breakfast meals, 32 lunch meals and 28 snacks, causing a total over claim of \$121.56.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #569703  
The Inertia Center

Schedule of Findings

Year ended September 30, 2015

Response – On the monthly claim which was recorded as 601, I looked over the month reviewed and my number on the paper copy was 401. I think I typed it in wrong. I will make sure the numbers are double checked before submitting claims in the future.

For the 62 meals/snacks claimed for 6 children, I do know sometimes I have parents who do not sign their children in/out for the day and I record the meal participation on the spot and do not usually match these with the sign in sheets. That could be what had happened. I will reinforce to my parents the importance of making sure kids are signed in and out daily.

Conclusion – Response accepted.

- (C) Milk Study – Meal pattern requirements specify the amount of milk required to be served at each meal and/or snack. A milk study was performed which compared the amount of milk required to be served based on the menus for the month to the actual amount of milk purchased and/or donated during the month. The Center only purchased 79% of the milk required to be served based on the menus for the month.

Recommendation – The Center should develop and implement procedures to ensure sufficient milk is purchased and served during the month based on the month's menus and meal pattern requirements, all receipts for milk purchases are retained and all milk donations are recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – We always serve milk when required, so I'm not sure why the milk count was low. We do have three children that during that time were on soy milk and parents brought that milk to the Center. Those children were here daily for breakfast, lunch and snacks. I have double checked with staff and they are pouring the correct amount at this time.

Conclusion – Response accepted.

- (D) Participant Eligibility – Eligibility applications for the year ended September 30, 2015 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated. One application could not be located for a child who began attending the Center on July 6, 2015. This caused an over claim of \$178.24, consisting of 32 breakfast meals, 32 lunch meals and 32 snacks.

Recommendation – The Center should develop and implement procedures to ensure an application is on file for each child categorized as free or reduced-price and each application is complete, properly approved and dated.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #569703  
The Inertia Center

Schedule of Findings

Year ended September 30, 2015

Response – We have double checked and have made sure all children who are enrolled have eligibility papers on file. In reference to the missing application above, I have no answer as to why her paper was misplaced. I know I had it because she was my only child with an Illinois food stamp number. I do have a current application for her and have double checked all enrollments. We have implemented a process to check all papers monthly when doing the paperwork to be submitted and the eligibility applications for all new children are put in files the day they start daycare.

Conclusion – Response accepted.

We would like to acknowledge the many courtesies and assistance extended to use by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and The Inertia Center during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

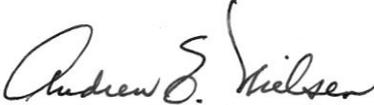
September 15, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #569703  
The Inertia Center

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Trent M. Mussmann, Senior Auditor  
Tyler H. Moran, Assistant Auditor  
Lucas P. Mullen, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #949708  
TRACEY'S TOTS DAYCARE  
CARROLL AND FORT DODGE, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #949708  
Tracey's Tots Daycare**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Cori Jewett

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #949708  
Tracey's Tots Daycare  
Carroll and Fort Dodge, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Tracey's Tots Daycare:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Tracey's Tots Daycare's (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for both the Carroll and Fort Dodge locations for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records, for the Carroll location, for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
3. We observed at least one meal or snack, for the Carroll location, to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records, for the Carroll location, to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Tracey's Tots Daycare, and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Tracey's Tots Daycare during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 20, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #949708  
Tracey's Tots Daycare

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	22,441	\$ 6,469	36,745	16,527	59,741
Reduced-price meals	1,132	213	1,580	429	2,222
Paid meals	9,183	982	2,319	390	3,691
	<u>32,756</u>	<u>\$ 7,664</u>	<u>40,644</u>	<u>17,346</u>	<u>65,654</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #949708  
Tracey's Tots Daycare  
Carroll and Fort Dodge, Iowa**



**OFFICE OF AUDITOR OF STATE**  
STATE OF IOWA

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Auditor of State

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Telephone (515) 281-5834 Facsimile (515) 242-6134

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Tracey's Tots Daycare:

At your request, we made inquiries and observations regarding Tracey's Tots Daycare's compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of our agreed-upon procedures, along with related recommendations.

- (A) Monthly Claim for Reimbursement – The Center submits a monthly claim for reimbursement which includes information related to the Center's attendance, the number of enrolled children in each of the reimbursement categories, the Center's percentage of children in the free and reduced-price categories and the number of meals/snacks served for the month.

For the month of November 2014, the following findings were noted:

- The Center under reported the number of enrolled children in the free category by one.
- The Center over claimed for 6 meals in the free category due to footing errors on the meal participation spreadsheet, including 3 breakfast meals and 3 snacks, causing a total over claim of \$7.32.
- The Center claimed 5 breakfast meals for 2 children in the free category who were not in attendance during the time the meals were served, causing a total over claim of \$8.10.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate.

Response – The Center uses an excel program offered by the Department of Education that helps to calculate the monthly claim numbers accurately. This spreadsheet also calculates the number of enrolled children (children who attended the Center for at least one day or meal/snack in the month). Using the program there shouldn't be any questions on the enrollment numbers or final calculations of the numbers. If the program would happen to not be working correctly or if it is not available then the final calculations of the monthly claim will be overseen and checked for accuracy by more than one staff member. The Director is responsible for transferring all the numbers to the spreadsheet as well as determining the eligibility of each family. Since the monthly claim noted, she has improved and learned more about the program and understands how important it is to be sure each claim is filed accurately. The Owner oversees all of this to help make sure things are done correctly.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #949708  
Tracey's Tots Daycare

Schedule of Findings

Year ended September 30, 2015

Our parents are responsible for signing their children in and out of the Center each day. It does happen that sometimes they are in a hurry and can forget, in this situation a staff member will sign the child in. Also, sometimes when a parent will sign them in, the times they write in aren't accurate. For those reasons it could make it seem as if a child who was marked down as being served a meal/snack was not in attendance when they actually were. We have our mealtimes posted throughout the Center as well as being stated in our handbook that is given to each family with their enrollment packet. We have stressed to parents and staff the policies and how it is important to have accurate times for filing our monthly claims properly.

Conclusion – Response accepted.

- (B) Participant Eligibility – Eligibility applications for the year ended September 30, 2015 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated.

For the Fort Dodge location, the following findings were noted:

- One application on file, which included 6 children, was not complete. The Center did not properly approve and date the application.
- One application on file was incorrectly classified by the Center as free instead of reduced-price.

For the Carroll location, 2 applications on file were not complete. The applications did not include the last four digits of the parent/guardian's social security number.

The over claim amounts for the above findings should be determined starting from the child's enrollment date at the Center through September 30, 2015; however, the over claim amounts were not readily determinable.

Recommendation – The Center should develop and implement procedures to ensure an application is on file for each child categorized as free or reduced-price and each application is complete, properly approved and dated.

Response – We check and update our eligibility records monthly and correctly determine which category each family qualifies for using the excel program provided by the Department of Education. The Director is responsible for collecting and determining income for all Center applications. She is also responsible for making sure an application is on file for all families claimed at a free or reduced-price rate and also signs and dates the application in the month the family started or the month the family started to be claimed at the free or reduced-price rate. The Owner will help oversee and double check the

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #949708  
Tracey's Tots Daycare

Schedule of Findings

Year ended September 30, 2015

applications each month to be sure they are calculated correctly and are complete. Each month as enrollment is calculated all applications will be reviewed and checked to make sure they are all complete and accurate. Also by using the excel program, program income and eligibility are always calculated correctly and less mistakes are made.

Conclusion – Response accepted.

We would like to acknowledge the many courtesies and assistance extended to use by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Tracey's Tots Daycare during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 20, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #949708  
Tracey's Tots Daycare

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Melissa A. Hastert, CPA, Staff Auditor  
Cole J. Hanley, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #579965  
LITTLE CUPCAKES CHILD CARE, LLC  
CEDAR RAPIDS, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579965  
Little Cupcakes Child Care, LLC**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Deborah Henthorn

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579965  
Little Cupcakes Child Care, LLC  
Cedar Rapids, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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Independent Accountant's Report on Applying Agreed-Up Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Little Cupcakes Child Care, LLC:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Little Cupcakes Child Care's (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
3. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Little Cupcakes Child Care, and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Little Cupcakes Child Care during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 19, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579965  
Little Cupcakes Child Care, LLC

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	16,563	\$ 8,497	19,457	4,441	32,395
Reduced-price meals	906	308	964	140	1,412
Paid meals	3,749	337	679	89	1,105
	<u>21,218</u>	<u>\$ 9,142</u>	<u>21,100</u>	<u>4,670</u>	<u>34,912</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579965  
Little Cupcakes Child Care, LLC  
Cedar Rapids, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Little Cupcakes Child Care, LLC:

At your request, we made inquiries and observations regarding Little Cupcakes Child Care's compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of our agreed-upon procedures, along with related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual is responsible for the preparation, approval and disbursement of bills, as well as preparing the monthly claim for reimbursement. In addition, the monthly claim for reimbursement is not reviewed by an independent person.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff. Independent reviews of the monthly claims for reimbursements should be performed and the review should be documented by the initials or signature of the reviewer and the date of the review.

Response – The teachers fill out the meal participation sheets and I review those; however I do not sign and date them. I will start doing that. I am the only person who does all the preparation, approval and disbursement of bills. I also do the claims for the program. I do not have any other person that is responsible for that. I will start to have my Director review, date and sign them.

Conclusion – Response accepted.

- (B) Milk Study – Meal pattern requirements specify the amount of milk required to be served at each meal and/or snack. A milk study was performed which compared the amount of milk required to be served based on the menus for the month to the actual amount of milk purchased and/or donated during the month. The Center only purchased 76% of the milk required to be served based on the menus for the month.

Recommendation – The Center should develop and implement procedures to ensure sufficient milk is purchased and served during the month based on the month's menus and meal pattern requirements, all receipts for milk purchases are retained and all milk donations are recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579965  
Little Cupcakes Child Care, LLC

Schedule of Findings

Year ended September 30, 2015

Response – We do put the minimum required amount of milk on the tables for each meal. The teachers then pour that into small pitchers so the children can do family style meals. If we do get short on milk, I will purchase more at that time. The children pour what they desire and drink what they desire. I will observe the rooms regularly and make sure the teachers are pouring the right amounts, encouraging and being good role models for the children.

Conclusion – Response accepted.

(C) Participant Eligibility – Eligibility applications for the year ended September 30, 2015 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated. The following findings were noted regarding incomplete applications on file:

- Seven applications were not properly approved or dated by the Center.
- One application did not include the family members' household income; therefore it was not possible to determine if the child was categorized correctly.
- Two applications did not include the last four digits of the parent/guardian's social security number.

The over claim amounts for the above findings should be determined starting from the child's enrollment date at the Center though September 30, 2015; however, the over claim amounts were not readily determinable.

Recommendation – The Center should develop and implement procedures to ensure an application is on file for each child categorized as free or reduced-price and each application is complete, properly approved and dated.

Response – When I review applications, I try to catch everything that might be missing. I will make a copy and highlight all areas that need filled out and have my Director look them over also, having her date and sign them too.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579965  
Little Cupcakes Child Care, LLC

Schedule of Findings

Year ended September 30, 2015

We would like to acknowledge the many courtesies and assistance extended to use by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Little Cupcakes Child Care during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 19, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579965  
Little Cupcakes Child Care, LLC

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Melissa A. Hastert, CPA, Staff Auditor  
Adjoa S. Adanledji, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #299704  
BMW CHILD CARE, INC.  
BURLINGTON, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #299704  
BMW Child Care, Inc.**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Wendy Rider

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #299704  
BMW Child Care, Inc.  
Burlington, Iowa**



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**STATE OF IOWA**

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of BMW Child Care, Inc.:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating BMW Child Care, Inc's (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
3. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and BMW Child Care, Inc., and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and BMW Child Care, Inc. during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 16, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #299704  
BMW Child Care, Inc.

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	20,306	\$ 4,572	23,304	8,538	36,414
Reduced-price meals	3,757	585	3,612	847	5,044
Paid meals	27,569	1,303	5,003	944	7,250
	<u>51,632</u>	<u>\$ 6,460</u>	<u>31,919</u>	<u>10,329</u>	<u>48,708</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #299704  
BMW Child Care, Inc.  
Burlington, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of BMW Child Care, Inc.:

At your request, we made inquiries and observations regarding BMW Child Care, Inc.'s compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of our agreed-upon procedures, along with related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual is responsible for the preparation, approval and disbursement of bills, as well as preparing the monthly claim for reimbursement. In addition, the monthly claim for reimbursement is not reviewed by an independent person.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff. Independent reviews of the monthly claims for reimbursements should be performed and the review should be documented by the initials or signature of the reviewer and the date of the review.

Response – The owner is the one who manages all finances and month end entry for reimbursement. If another staff is entering times children ate, a double check of accuracy will be made by the owner.

Conclusion – Response acknowledged. The Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff. Independent reviews of the monthly claims for reimbursements should be performed and the review should be documented by the initials or signature of the reviewer and the date of the review.

- (B) Monthly Claim for Reimbursement – The Center submits a monthly claim for reimbursement which includes information related to the Center's attendance, the number of enrolled children in each of the reimbursement categories, the Center's percentage of children in the free and reduced-price categories and the number of meals/snacks served for the month.

For the month of August 2015, the following findings were noted:

- The number of enrolled children reported by the Center was over reported by one in the free category and under reported by two in the reduced-price category.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #299704  
BMW Child Care, Inc.

Schedule of Findings

Year ended September 30, 2015

- The Center under reported the number of meals/snacks served for children in the free category by eight while over reporting the number of meals/snacks served for children in the reduced-price category by eight. The net effect was an under claim of \$2.40.
- The Center claimed five meals/snacks for two children in the free category who were not in attendance during the time the meals/snacks were served. This included 2 lunch meals and 3 snacks, causing a total over claim of \$8.66

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate.

Response – If the cook is documenting who is eating the meals or the staff is doing it at mealtimes, a double check from the owner or an on-site supervisor will take place daily.

Conclusion – Response acknowledged. The Center should develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate.

- (C) Milk Study – Meal pattern requirements specify the amount of milk required to be served at each meal and/or snack. A milk study was performed which compared the amount of milk required to be served based on the menus for the month to the actual amount of milk purchased and/or donated during the month. The Center only purchased 47% of the milk required to be served based on the menus for the month.

Recommendation – The Center should develop and implement procedures to ensure sufficient milk is purchased and served during the month based on the month's menus and meal pattern requirements, all receipts for milk purchases are retained and all milk donations are recorded. The Center should also ensure all employees are adequately trained and supervised when serving milk at meals/snacks.

Response – If we serve “family style” some of the older kids choose not to take the milk at the table. If we have milk left over, we will not have to buy as much for the next week. The owner or on-site supervisor will make sure the cook is buying enough milk weekly.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #299704  
BMW Child Care, Inc.

Schedule of Findings

Year ended September 30, 2015

(D) Participant Eligibility – Eligibility applications for the year ended September 30, 2015 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated. The following findings were noted:

- Six applications on file did not include the last four digits of the parent/guardian’s social security number.
- Two applications could not be located for two children categorized as free on the Center’s summary of eligibility spreadsheet.
- Two applications indicated the family exceeded the income limits; therefore the children were not eligible for free or reduced-price meals. However, the Center’s summary of eligibility spreadsheet indicated the children were categorized as free.

The over claim amount for incomplete applications should be determined starting from the child’s enrollment date at the Center through September 30, 2015; however, the over claim amount was not readily determinable.

Recommendation – The Center should develop and implement procedures to ensure an application is on file for each child categorized as free or reduced-price and each application is complete, properly approved and dated.

Response – When a family starts at the Center, applications will be double checked to make sure sufficient information is all on the application.

Conclusion – Response accepted.

We would like to acknowledge the many courtesies and assistance extended to use by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and BMW Child Care, Inc. during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

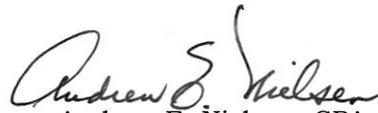
September 16, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #299704  
BMW Child Care, Inc.

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Trent M. Mussmann, Senior Auditor  
Tyler H. Moran, Assistant Auditor  
Lucas P. Mullen, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #779714  
SUNSHINE CHILDCARE CENTER  
DES MOINES, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779714  
Sunshine Childcare Center**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Kathy Simpson

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779714  
Sunshine Childcare Center  
Des Moines, Iowa**



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**STATE OF IOWA**

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Independent Accountant's Report on Applying Agreed-Up Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Sunshine Childcare Center:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Sunshine Childcare Center's (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
3. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings sections of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Sunshine Childcare Center, and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Sunshine Childcare Center during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 20, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779714  
Sunshine Childcare Center

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	19,880	\$ 6,511	20,797	7,805	35,113
Reduced-price meals	1,955	521	1,907	373	2,801
Paid meals	4,146	239	699	138	1,076
	<u>25,981</u>	<u>\$ 7,271</u>	<u>23,403</u>	<u>8,316</u>	<u>38,990</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779714  
Sunshine Childcare Center  
Des Moines, Iowa**



**OFFICE OF AUDITOR OF STATE  
STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Sunshine Childcare Center:

At your request, we made inquiries and observations regarding Sunshine Childcare Center's compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of our agreed-upon procedures, along with related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual is responsible for the preparation, approval and disbursement of bills, as well as preparing the monthly claim for reimbursement. In addition, the monthly claim for reimbursement is not reviewed by an independent person.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff. Independent reviews of the monthly claims for reimbursements should be performed and the review should be documented by the initials or signature of the reviewer and the date of the review.

Response – The cook and Director are the two people who work together on the program information applications, menus, shopping and paying the bills. We do ask other staff for additional input on the menus, but really don't know who else you would want to handle these duties in our organization.

We may have the Assistant Director of the children and staff review the claim before it is submitted. This person will need to attend several program classes before she really has any idea what she is reviewing.

Conclusion – Response accepted.

- (B) Milk Study – Meal pattern requirements specify the amount of milk required to be served at each meal and/or snack. A milk study was performed which compared the amount of milk required to be served based on the menus for the month to the actual amount of milk purchased and/or donated during the month. The Center only purchased 75% of the milk required to be served based on the menus for the month.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779714  
Sunshine Childcare Center

Schedule of Findings

Year ended September 30, 2015

Recommendation – The Center should develop and implement procedures to ensure sufficient milk is purchased and served during the month based on the month’s menus and meal pattern requirements, all receipts for milk purchases are retained and all milk donations are recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – We have carry-over milk each week. When the cook (or staff) pours the children’s milk, we pour the proper amount, ½ cup for age 2 and ¾ cup for age 3. We use self-serve family-style settings for the 4/5 year olds and the school age children. When the pitchers have remaining milk, we reuse that for another time as that milk has not been exposed to any child’s germs.

The time we might not use enough milk is for cold cereal breakfast. We have found that we do not use ¾ cup in the cereal bowls with 1/3 cup of cereal. Not one of our children drink their leftover milk from the cereal bowl.

Conclusion – Response accepted.

(C) Participant Eligibility – Eligibility applications for the year ended September 30, 2015 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated. The following findings were noted:

- For one application on file, the Center did not properly approve and date the application.
- For seven applications on file, the applications did not include the last four digits of the parent/guardian’s social security number.

The over claim amounts for the above findings should be determined starting from the child’s enrollment date at the Center through September 30, 2015; however, the over claim amounts were not readily determinable.

Recommendation – The Center should develop and implement procedures to ensure an application is on file for each child categorized as free or reduced-price and each application is complete, properly approved and dated.

Response – For the one application not signed by me. I had received the Food Assistance number and wrote it in for the mother, but failed to sign the signature line. I am sorry for my oversight. These seven applications should have had the Social Security number listed. I am now completing the forms correctly.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779714  
Sunshine Childcare Center

Schedule of Findings

Year ended September 30, 2015

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Sunshine Childcare Center during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 20, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779714  
Sunshine Childcare Center

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Trent M. Mussmann, Senior Auditor  
Tyler H. Moran, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #709702  
HAPPY HOME DAY CARE CENTER  
MUSCATINE, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Happy Home Day Care Center**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Shawna Martin

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Happy Home Day Care Center  
Muscatine, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Happy Home Day Care Center:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Happy Home Day Care Center's (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
3. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Happy Home Day Care Center, and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Happy Home Day Care Center during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 21, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Happy Home Day Care Center

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	23,346	\$ 13,762	22,966	6,480	43,208
Reduced-price meals	2,639	1,194	2,530	351	4,075
Paid meals	29,397	2,661	5,108	720	8,489
	<u>55,382</u>	<u>\$ 17,617</u>	<u>30,604</u>	<u>7,551</u>	<u>55,772</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Happy Home Day Care Center  
Muscatine, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Happy Home Day Care Center:

At your request, we made inquiries and observations regarding Happy Home Day Care Center's compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of our agreed-upon procedures, along with related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual is responsible for the preparation, approval and disbursement of bills.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff.

Response – The Director and Owner are in charge of final approval of the numbers submitted and make sure we are claiming each child the right way each month. The Director will be in charge of submitting the claim and any billings which need to be completed.

Conclusion – Response acknowledged. The Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff.

- (B) Monthly Claim for Reimbursement – The Center submits a monthly claim for reimbursement which includes information related to the Center's attendance, the number of enrolled children in each of the reimbursement categories, the Center's percentage of children in the free and reduced-price categories and the number of meals/snacks served for the month.

For the month of July 2015, the following findings were noted:

- The Center claimed 17 meals/snacks for four children in the free category and one child in the reduced-price category who were not in attendance during the time the meals/snacks were served. This included 5 breakfast meals, 6 lunch meals and 6 snacks, causing a total over claim of \$28.40.
- The Center over reported the number of meals served for children in the free category by 9. This included 1 breakfast meal, 5 lunch meals and 3 snacks, causing a total over claim of \$19.53.
- The Center under reported the number of enrolled children in the paid category by two.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Happy Home Day Care Center

Schedule of Findings

Year ended September 30, 2015

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate.

Response – The lead staff working in each classroom is responsible for marking down at each meal who is in attendance for that meal. The Director will go through each classroom’s meal count sheets each day and compare them to the main sign in/out sheets and make sure the staff are accurately claiming each child at each meal. Then at the end of the month when we are compiling all the reports to do our family meal claims we will make sure and double check the work again to make sure we are claiming each child correctly and they are only claimed if they are in attendance at the time the meal is served.

Conclusion – Response accepted.

- (C) Milk Study – Meal pattern requirements specify the amount of milk required to be served at each meal and/or snack. A milk study was performed which compared the amount of milk required to be served based on the menus for the month to the actual amount of milk purchased and/or donated during the month. The Center only purchased 54% of the milk required to be served based on the menus for the month.

Recommendation – The Center should develop and implement procedures to ensure sufficient milk is purchased and served during the month based on the month’s menus and meal pattern requirements, all receipts for milk purchases are retained and all milk donations are recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – The Director will make sure we are filing all milk receipts right after the milk is purchased and brought into the Center. We are also having a staff meeting and refreshing each staff on how much each child is supposed to be served when having milk at each meal. We purchase milk as it is needed and if the staff are not giving the right amount at the meal times then it slows down the milk ordering that is put in. So to correct this issue we are going to make sure the children are all served the correct amount at each meal and also the kitchen staff is going to make sure the milk order is always put in right away when needed and the receipts are given right away to the Director so they can be correctly filed and not misplaced.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Happy Home Day Care Center

Schedule of Findings

Year ended September 30, 2015

We would like to acknowledge the many courtesies and assistance extended to use by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Happy Home Day Care Center during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 21, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Happy Home Day Care Center

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Trent M. Mussmann, Senior Auditor  
Tyler H. Moran, Assistant Auditor  
Lucas P. Mullen, Assistant Auditor

  
Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #009702  
CHILDTIME CHILDCARE, INC.  
DES MOINES, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #009702  
Childtime Childcare, Inc.**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Donna Pomerson  
Mary Clark

Program Director  
Program Coordinator

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #009702  
Childtime Childcare, Inc.  
Des Moines, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Childtime Childcare, Inc.:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Childtime Childcare's (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
3. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Childtime Childcare, and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Childtime Childcare during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 21, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #009702  
Childtime Childcare, Inc.

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	30,906	\$ 14,951	34,726	9,103	58,780
Reduced-price meals	5,010	1,739	5,073	790	7,602
Paid meals	37,641	3,358	6,460	944	10,762
	<u>73,557</u>	<u>\$ 20,048</u>	<u>46,259</u>	<u>10,837</u>	<u>77,144</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #009702  
Childtime Childcare, Inc.  
Des Moines, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Childtime Childcare, Inc.:

At your request, we made inquiries and observations regarding Childtime Childcare's compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of our agreed-upon procedures, along with related recommendations.

- (A) Monthly Claim for Reimbursement – The Center submits a monthly claim for reimbursement which includes information related to the Center's attendance, the number of enrolled children in each of the reimbursement categories, the Center's percentage of children in the free and reduced-price categories and the number of meals/snacks served for the month.

For the month of November 2014, the Center claimed 117 meals/snacks for children in various categories who were not in attendance during the time the meals/snacks were served. This included 37 breakfast meals, 45 lunch meals and 35 snacks, causing a total over claim of \$143.53.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate.

Response – The Director will retrain the administrative assistant on the importance of accurately inputting the meals. The Director will spot check the meal count input for accuracy. The program coordinator will spot check the records as well.

Conclusion – Response accepted.

- (B) Participant Eligibility – Eligibility applications for the year ended September 30, 2015 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated.

The following findings were noted:

- One application on file was incorrectly classified by the Center as free instead of reduced-price.
- One application on file, which exceeded the income limits for free or reduced-price meals, was incorrectly classified by the Center as free.
- Two applications on file were not complete. The applications did not include the last four digits of the parent/guardian's social security number.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #009702  
Childtime Childcare, Inc.

Schedule of Findings

Year ended September 30, 2015

Recommendation – The Center should develop and implement procedures to ensure an application is on file for each child categorized as free or reduced-price and each application is complete, properly approved and dated.

Response – The new management staff have been trained on how to authorize income forms. A 2<sup>nd</sup> member of management checks the form for accuracy. The program coordinator is the 3<sup>rd</sup> set of eyes.

Conclusion – Response accepted.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Childtime Childcare during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 21, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #009702  
Childtime Childcare, Inc.

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Melissa A. Hastert, CPA, Staff Auditor  
Adjoa S. Adanledji, Assistant Auditor  
Lucas P. Mullen, Assistant Auditor

  
Andrew E. Nielsen, CPA  
Deputy Auditor of State



**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #979712  
APPLE TREE PRESCHOOL AND LEARNING CENTER, INC.  
SIOUX CITY, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979712  
Apple Tree Preschool and Learning Center, Inc.**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Laurie Roethler

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979712  
Apple Tree Preschool and Learning Center, Inc.  
Sioux City, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Apple Tree Preschool and Learning Center, Inc.:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Apple Tree Preschool and Learning Center, Inc.'s (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
3. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Apple Tree Preschool and Learning Center, Inc., and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Apple Tree Preschool and Learning Center, Inc. during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 28, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979712  
Apple Tree Preschool and Learning Center, Inc.

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	27,382	\$ 7,754	28,287	11,529	47,570
Reduced-price meals	1,874	492	1,584	390	2,466
Paid meals	83,121	4,958	13,566	2,788	21,312
	<u>112,377</u>	<u>\$ 13,204</u>	<u>43,437</u>	<u>14,707</u>	<u>71,348</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979712  
Apple Tree Preschool and Learning Center, Inc.  
Sioux City, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Apple Tree Preschool and Learning Center, Inc.:

At your request, we made inquiries and observations regarding The Apple Tree Preschool and Learning Center, Inc.'s compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of agreed-upon procedures, along with related recommendations.

- (A) Monthly Claim for Reimbursement – The Center submits a monthly claim for reimbursement which includes information related to the Center's attendance, the number of enrolled children in each of the reimbursement categories, the Center's percentage of children in the free and reduced-price categories and the number of meals/snacks served for the month. For the month of January 2015, the Center claimed 2 meals/snacks for a child in the paid category who was not in attendance during the time the meal/snack was served. This included 1 breakfast and 1 snack, causing a total over claim of \$0.35.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate.

Response – All daily meal participation records are filled out by the staff at the time of the meal/snack. All class records are sent to the corporate office weekly for entry into the program spreadsheets. Timely submissions will ensure the person entering isn't against an unreasonable deadline. All spreadsheets will be reviewed to make certain that the marks were transferred correctly. Any questionable marks will be followed up with the classroom teacher and Center Director.

Conclusion – Response accepted.

- (B) Participant Eligibility – Eligibility applications for the year ended September 30, 2015 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated. Twelve applications could not be located for children who attended the Center. The over claim amounts for the above findings should be determined starting from the child's enrollment date at the Center through September 30, 2015; however, the over claim amounts were not readily determinable.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979712  
Apple Tree Preschool and Learning Center, Inc.

Schedule of Findings

Year ended September 30, 2015

Recommendation – The Center should develop and implement procedures to ensure an application is on file for each child categorized as free or reduced-price and each application is complete, properly approved and dated.

Response – The Center enrollment packet is distributed to all enrolling families and includes the program eligibility application and parent letter. The income application and income guidelines are now current. All families of children continuing in our care will receive a new income application each year in late August or early September. Copies of new applications are given to our corporate office weekly and are approved by the end of the month. Free and reduced price meals are claimed only after a complete, eligible and current income application is on file in the Center and corporate office.

Conclusion – Response accepted.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and The Apple Tree Preschool and Learning Center, Inc. during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 28, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979712  
Apple Tree Preschool and Learning Center, Inc.

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Trent M. Mussman, Senior Auditor  
Tyler H. Moran, Assistant Auditor  
Lucas P. Mullen, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State



**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #579709  
GOOSE, INC.  
CEDAR RAPIDS, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579709  
Goose, Inc.**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Amber Taylor

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579709  
Goose, Inc.  
Cedar Rapids, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Goose, Inc.:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Goose, Inc.'s (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
3. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Goose, Inc. and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Goose, Inc. during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 27, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579709  
Goose, Inc.

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	15,001	\$ 6,718	18,170	4,364	29,252
Reduced-price meals	587	250	607	76	933
Paid meals	33,040	2,905	6,189	770	9,864
	<u>48,628</u>	<u>\$ 9,873</u>	<u>24,966</u>	<u>5,210</u>	<u>40,049</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579709  
Goose, Inc.  
Cedar Rapids, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Goose, Inc.:

At your request, we made inquiries and observations regarding Goose, Inc.'s compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of our agreed-upon procedures, along with related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual is responsible for the preparation, approval and disbursement of bills.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff.

Response – We are currently working on becoming more sufficient at segregating duties. Currently the cook takes care of ordering, purchasing food, serving and ensuring the minimum requirements are being met; she also ensures that menus are posted and maintained to meet the requirements. The Director at the Center works on all the eligibility applications and monthly reports. We are working on getting our Center to the point where more than one person is responsible for the preparation, approval and disbursement of bills. To do this the Owner is working with the Director on getting some training completed.

Conclusion – Response accepted.

- (B) Monthly Claim for Reimbursement – The Center submits a monthly claim for reimbursement which includes information related to the Center's attendance, the number of enrolled children in each of the reimbursement categories, the Center's percentage of children in the free and reduced-price categories and the number of meals/snacks served for the month.

For the month of March 2015, the following findings were noted:

- The Center claimed six meals/snacks for five children who were not in attendance during the time the meals/snacks were served. This included three snacks in the paid category, one snack in the free category and 2 meals in the free category, causing a total over claim of \$6.99.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579709  
Goose, Inc.

Schedule of Findings

Year ended September 30, 2015

- The number of meals/snacks served for the month was not supported by the Center's meal participation records. Meal participation records included a total of 5,055 meals/snacks served for the month, while the monthly claim for reimbursement included a total of 4,381 meals/snacks claimed.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate.

Response – We have included a training paper for all employees to sign as part of their orientation when hired to go over their duties with the program. We also hold training every October to go over such items as taking attendance at the time the meals are being served. We will review the meal participation records and monthly claim reimbursement to determine why the amounts reported do not agree with the meal participation records. Once the differences are determined, we will discuss and resolve any findings with the Department of Education.

Conclusion – Response accepted.

- (C) Milk Study – Meal pattern requirements specify the amount of milk required to be served at each meal and/or snack. A milk study was performed which compared the amount of milk required to be served based on the menus for the month to the actual amount of milk purchased and/or donated during the month. The Center only purchased 36% of the milk required to be served based on the menus for the month.

Recommendation – The Center should develop and implement procedures to ensure sufficient milk is purchased and served during the month based on the month's menus and meal pattern requirements, all receipts for milk purchases are retained and all milk donations are recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – We have worked on our menus and have revised them to show a better count for milk distribution. We have listed milk on the menus for snack when we really use it as an option not as a requirement. For instance, we meet the requirements with two other components and a liquid (water) in place of milk. We have several children who choose to bring soy milk or non-dairy based milk. We will be sure that any donated milk is recorded properly.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579709  
Goose, Inc.

Schedule of Findings

Year ended September 30, 2015

(D) Participant Eligibility – Eligibility applications for the year ended September 30, 2015 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated. Two applications on file, which exceeded the income limits for free or reduced-price meals, were incorrectly classified by the Center as free. One application could not be located.

Recommendation – The Center should develop and implement procedures to ensure an application is on file for each child categorized as free and reduced-price and each application is complete, properly approved and dated.

Response – The Director has taken over the duties of keeping up on eligibility applications and is responsible for properly approving and dating them. The Director now does monthly print outs to be sure an application is on file and current.

Conclusion – Response accepted.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Goose, Inc. during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

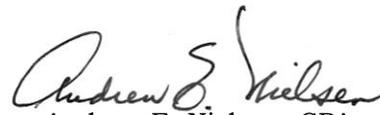
September 27, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579709  
Goose, Inc.

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Melissa A. Hastert, CPA, Staff Auditor  
Adjoa S. Adanledji, Assistant Auditor  
Ian N. Judson, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #579710  
JUNGLE FRIENDS, LLC  
CEDAR RAPIDS, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579710  
Jungle Friends, LLC**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Linda Brotherton-Laird

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579710  
Jungle Friends, LLC  
Cedar Rapids, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Jungle Friends, LLC:

We have performed the procedures enumerated below, which were agreed upon by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating Jungle Friends, LLC's (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
3. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings section of this report. Unless reported in the Schedule of Findings items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Jungle Friends, LLC, and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and Jungle Friends, LLC during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 27, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579710  
Jungle Friends, LLC

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	19,932	\$ 9,512	19,637	6,642	35,791
Reduced-price meals	456	173	380	82	635
Paid meals	9,647	841	1,419	278	2,538
	<u>30,035</u>	<u>\$ 10,526</u>	<u>21,436</u>	<u>7,002</u>	<u>38,964</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579710  
Jungle Friends, LLC  
Cedar Rapids, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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Auditor of State

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Telephone (515) 281-5834 Facsimile (515) 242-6134

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Jungle Friends, LLC:

At your request, we made inquiries and observations regarding Jungle Friends, LLC's compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of our agreed-upon procedures, along with related recommendations.

- (A) Monthly Claim for Reimbursement – The Center submits a monthly claim for reimbursement which includes information related to the Center's attendance, the number of enrolled children in each of the reimbursement categories, the Center's percentage of children in the free and reduced-price categories and the number of meals/snacks served for the month.

For the month of April 2015, the following findings were noted:

- The Center over reported the number of snacks served for children in the free category by 10.
- The Center claimed eight meals/snacks for six children in the free category by including them in listings for both preschool and school-age children. This included 3 breakfast meals and 5 free snacks, causing a total over claim of \$8.96.
- The Center claimed 5 meals/snacks for 4 children who were not in attendance during the time the meals/snacks were served. This included 1 breakfast meal, 1 lunch meal and 2 snacks in the free category, as well as 1 snack in the paid category, causing a total over claim of \$6.31.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate.

Response – I personally check the meal preparation sheets when handed in. The new computer reporting system has helped a lot with accuracy. Also, on the Summary of Free and Reduced Price Eligibility Form, I am placing them in alphabetic order instead of by classroom.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579710  
Jungle Friends, LLC

Schedule of Findings

Year ended September 30, 2015

- (B) Milk Study – Meal pattern requirements specify the amount of milk required to be served at each meal and/or snack. A milk study was performed which compared the amount of milk required to be served based on the menus for the month to the actual amount of milk purchased and/or donated during the month. The Center only purchased 55% of the milk required to be served based on the menus for the month.

Recommendation – The Center should develop and implement procedures to ensure sufficient milk is purchased and served during the month based on the month's menus and meal pattern requirements, all receipts for milk purchases are retained and all milk donations are recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – When shopping for the upcoming week, we will use current enrollment, refer to the menu and calculate the correct amount of milk needed. I will personally go to each individual room and make sure staff are giving each child the correct amount. However, the way we serve our meals reduces the amount of milk needed for purchase. According to our food production records we served the correct amount of milk for each age. Instead of serving our meals at one time for the whole center, we stair-step our meals. Due to this we are able to use any left-over milk from the previous classrooms. Even though we make sure we have the correct amount of milk on the table in the pitcher many of our school agers in particular choose NO milk or water. At the end of each week, the number of gallons left over determines how many gallons are needed to be purchased.

Conclusion – Response accepted.

- (C) Participant Eligibility – Eligibility applications for the year ended September 30, 2015 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated.

The following findings were noted:

- One application on file was incorrectly classified by the Center as free instead of reduced-price.
- Seven applications on file, which included ten children, were not complete. The Center did not properly approve and date the applications.

The over claim amounts for the above findings should be determined starting from the child's enrollment date at the Center through September 30, 2015; however, the over claim amounts were not readily determinable.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579710  
Jungle Friends, LLC

Schedule of Findings

Year ended September 30, 2015

Recommendation – The Center should develop and implement procedures to ensure an application is on file for each child categorized as free or reduced-price and each application is complete, properly approved and dated.

Response – The one application was classified incorrectly because I calculated the application wrong. From this point on, I will have income guidelines out when I approve the applications and double check to make sure I have the correct classification. The applications were not complete due to me being unorganized. I was updating the program paperwork along with the child's registration paperwork. When I received the paperwork back from the family, I forgot to sign it before filing it. This is where renewing the program applications at the same time every year will be helpful and more accurate. I will approve, date and file all of the paperwork at the same time.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579710  
Jungle Friends, LLC

Schedule of Findings

Year ended September 30, 2015

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Jungle Friends, LLC during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 27, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #579710  
Jungle Friends, LLC

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Melissa A. Hastert, CPA, Staff Auditor  
Adjoa S. Adanledji, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State



**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #779997  
SS SERVICES, LLC  
DES MOINES, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779997  
SS Services, LLC**

**Officials**

Name

Title

**State**

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

Governor  
Director, Department of Management  
Director, Legislative Fiscal Bureau  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Shannon Sinclair

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779997  
SS Services, LLC  
Des Moines, Iowa**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of SS Services, LLC:

We have performed the procedures enumerated below, which were agreed to by the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education, solely to assist in evaluating SS Services, LLC's (the Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program, to determine if the program and participation data reported by the Center for reimbursements is accurate and to determine if the Center's internal controls are adequate for program participation, for the period of October 1, 2014 through September 30, 2015. The Center's management is responsible for compliance with the provisions of the Child and Adult Care Food Program and for making all records and related information available.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed all eligibility applications for the Center for the year ended September 30, 2015 to determine if they were complete and properly approved.
2. We selected one month to review the Center's daily meal participation records for accuracy, to review time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
3. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, the existence of adequate documentation for combination foods which contribute to more than one food component and to determine adequate quantities were served for the age and number of participants.
4. We reviewed daily meal production records to determine that quantities prepared met meal pattern requirements based on the month's menu. We completed a milk study comparing milk receipts to meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified recommendations which are included in the Schedule of Findings sections of this report. Unless reported in the Schedule of Findings, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination, the objective of which should be the expression of an opinion on the accompanying Schedule of Meals Served and Program Reimbursements for the year ended September 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Bureau of Nutrition and Health Services of the Iowa Department of Education and SS Services, LLC, and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Health and Nutrition Services of the Iowa Department of Education and SS Services, LLC during the course of our agreed-upon procedures. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

September 27, 2016

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
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SS Services, LLC

Schedule of Meals Served and Program Reimbursements

Year ended September 30, 2015

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	36,052	\$ 19,743	36,996	10,360	67,099
Reduced-price meals	1,601	700	1,536	221	2,457
Paid meals	21,304	1,976	3,014	601	5,591
	<u>58,957</u>	<u>\$ 22,419</u>	<u>41,546</u>	<u>11,182</u>	<u>75,147</u>

See accompanying independent accountant's report on applying agreed-upon procedures.

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To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of SS Services, LLC:

At your request, we made inquiries and observations regarding SS Services, LLC's compliance with the requirements and regulations of the Child and Adult Care Food Program during the year ended September 30, 2015. Following are the findings we identified as a result of our agreed-upon procedures, along with related recommendations.

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual is responsible for the preparation, approval and disbursement of bills, as well as preparing the monthly claim for reimbursement. In addition, the monthly claim for reimbursement is not reviewed by an independent person.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Center should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff. Independent reviews of the monthly claims for reimbursements should be performed and the review should be documented by the initials or signature of the reviewer and the date of the review.

Response – I was new to owning a daycare. I purchased the Center in May of 2014, and I had quite a handful to deal with. Not that this is an excuse; however, taking over a business, especially as one as personal as a daycare, I wanted to be the sole administrator. I quickly figured out, that I could not keep up with all of my responsibilities. I worked hard to get us on the food program and we started in December of 2014, which added to my administrator duties. In August of 2015, I enlisted, my Director, who had been on maternity leave. We were both learning the system, at the same time. I am the only one, who deals with the financial side of the business. However, I now realize the importance of having a checks and balance system. I will go forward in the future, having the Director, double check my numbers in the monthly claim. I already review her record keeping.

Conclusion – Response accepted.

- (B) Milk Study – Meal pattern requirements specify the amount of milk required to be served at each meal and/or snack. A milk study was performed which compared the amount of milk required to be served based on the menus for the month to the actual amount of milk purchased and/or donated during the month. The Center only purchased 34% of the milk required to be served based on the menus for the month.

Bureau of Nutrition and Health Services  
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Schedule of Findings

Year ended September 30, 2015

Recommendation – The Center should develop and implement procedures to ensure sufficient milk is purchased and served during the month based on the month’s menus and meal pattern requirements, all receipts for milk purchases are retained and all milk donations are recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – We will begin to review the monthly menus and meal patterns and figure out exactly how much milk should be needed for the month, based on our findings. We do not accept milk donations, but will make sure that all receipts are kept. I know that we are missing some receipts in the month of August 2015. I will also hold a meeting to go over the program’s required serving amounts with my staff and make sure that new staff are trained adequately.

Conclusion – Response accepted.

- (C) Participant Eligibility – Eligibility applications for the year ended September 30, 2015 were reviewed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved and dated.

The following findings were noted:

- One application on file, which exceeded the income limits for free or reduced-price meals, was incorrectly classified by the Center as reduced-price.
- Four applications on file did not include the last four digits of the parent/guardian’s social security number.

Recommendation – The Center should develop and implement procedures to ensure an application is on file for each child categorized as free and reduced-price and each application is complete, properly approved and dated.

Response – We will review these applications monthly, instead of every few months. And make sure that all information is present.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
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SS Services, LLC

Schedule of Findings

Year ended September 30, 2015

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and SS Services, LLC during the course of our work. Should you have any questions concerning any of the above matter, we shall be pleased to discuss them with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

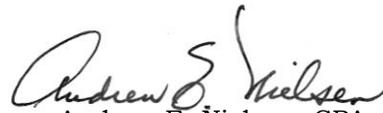
September 27, 2016

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779997  
SS Services, LLC

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Melissa A. Hastert, CPA, Staff Auditor  
Lucas P. Mullen, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State