

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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Mary Mosiman, CPA  
Auditor of State

**NEWS RELEASE**

FOR RELEASE

October 2, 2018

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Contact: Andy Nielsen  
515/281-5834

Auditor of State Mary Mosiman released agreed-upon procedures reports on fifteen agreements between the Bureau of Nutrition and Health Services of the Iowa Department of Education and child care centers for the period October 1, 2017 through June 30, 2018.

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, ensure milk purchased during the month is sufficient based on the month's menus and meal pattern requirements and ensure an application is on file for each child categorized as free or reduced-price and each applications is complete, properly approved and dated.

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 website at <https://auditor.iowa.gov/reports/audit-reports/>.

# # #



**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #319708  
LITTLE LEAPS LEARNING ACADEMY  
DUBUQUE, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #319708  
Little Leaps Learning Academy**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

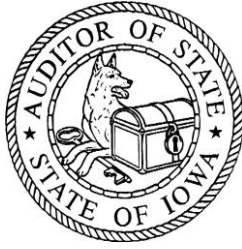
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Jake Rios  
Alex Segura

Owner  
Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #319708  
Little Leaps Learning Academy  
Dubuque, Iowa**



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STATE OF IOWA**

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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 Owner and Director of Little Leaps Learning Academy:

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 Leaps Learning Academy'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, 2017 through June 30, 2018. 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 visited the Center on July 11, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 2018 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Leaps Learning Academy, 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 Leaps Learning Academy 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 7, 2018



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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #319708  
Little Leaps Learning Academy

Schedule of Meals Served and Program Reimbursements

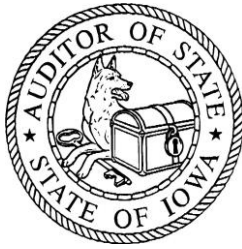
Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	27,778	\$ 5,882	38,247	11,767	55,896
Reduced-price meals	3,351	586	3,231	832	4,649
Paid meals	4,226	334	643	154	1,131
	<u>35,355</u>	<u>\$ 6,802</u>	<u>42,121</u>	<u>12,753</u>	<u>61,676</u>

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #319708  
Little Leaps Learning Academy  
Dubuque, Iowa**

**Schedule of Findings**



**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 Owner and Director of Little Leaps Learning Academy:

At your request, we made inquiries and observations regarding Little Leaps Learning Academy's compliance with the requirements and regulations of the Child and Adult Care Food Program for the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the related recommendations.

(A) Participant Eligibility – Eligibility applications for the period of October 1, 2017 through June 30, 2018 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 of the applications on file did not include the signature of the parent/guardian. However, the one child included on the application was a foster child and was correctly categorized as free.
- One of the applications on file was correctly categorized as reduced-price; however, for one of the three children included on the application, meals/snacks were claimed as free, instead of reduced-price. This included 43 breakfast meals, 85 snacks and 44 lunch meals from April 23, 2018 through June 30, 2018, for a total over claim of \$67.90.

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 – Our plan of action for this will be to learn more about how to properly fill out these applications so that not only will we know, but we will be able to help our parents as well. In order to ensure they are properly filled out correctly we will have one set person going over them and approving them, then have another person over-view the application to ensure it is filled out correctly. By doing this tactic will ensure each application is being viewed multiple times to ensure they are filled out correctly and each form has a parent/guardian signature as well as an approval signature with what the child/children are categorized as.

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 50% 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 #319708  
Little Leaps Learning Academy


Schedule of Findings

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. In addition, all receipts for milk purchases should be retained and all milk donations should be recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – Our plan of action for this topic will be to learn more about the meal patterns and learn exactly how much milk we are supposed to be serving each meal. The Center will also be adding more milk into the menus and adding milk to more meals in order to meet the requirement. After the management staff and kitchen staff learn the exact requirements then we will have a staff meeting to teach all the staff the requirements as well as the expectations. This will ensure that we are all on the same page. As for keeping track of all milk purchases, once the milk is purchased we will give the receipt directly to the head cook who will file them accordingly.

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 Little Leaps Learning Academy during the course of our agreed-upon procedures engagement. 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

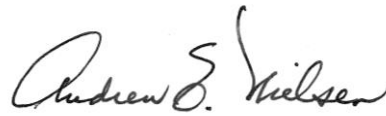
September 7, 2018

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #319708  
Little Leaps Learning Academy

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Luke M. Bormann, CPA, Staff Auditor  
Nicholas J. Gassman, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is written in a cursive style with a large, stylized "A" and "N".

Andrew E. Nielsen, CPA  
Deputy Auditor of State



**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #709702  
STEPPING STONES LEARNING CENTER  
MUSCATINE, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Stepping Stones Learning Center**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

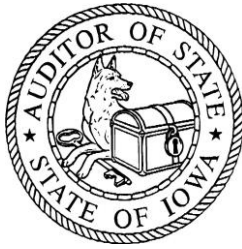
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Shawna Martin

Owner/Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Stepping Stones Learning Center  
Muscatine, 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 Owner/Director of Stepping Stones Learning 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 Stepping Stones Learning 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, 2017 through June 30, 2018. 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 visited the Center on July 10, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 2018 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Stepping Stones Learning 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 Stepping Stones Learning 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 6, 2018

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Stepping Stones Learning Center

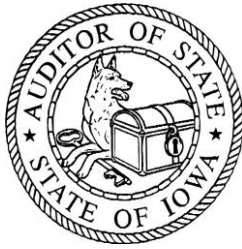
Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	22,817	\$ 13,493	25,581	6,793	45,867
Reduced-price meals	1,065	548	1,078	147	1,773
Paid meals	18,454	1,743	3,378	513	5,634
	<u>42,336</u>	<u>\$ 15,784</u>	<u>30,037</u>	<u>7,453</u>	<u>53,274</u>

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Stepping Stones Learning Center  
Muscatine, Iowa  
  
Schedule of Findings**



**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 Owner/Director of Stepping Stones Learning Center:

At your request, we made inquiries and observations regarding Stepping Stones Learning Center's compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the 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 will evaluate our staffing and have additional staff help with the approval and disbursement of the bills. Right now the Owner/Director is the only one that does this, but we will try to incorporate the Assistant Director to help with this task.

Conclusion – Response accepted.

- (B) Participant Eligibility – Eligibility applications for the period of October 1, 2017 through June 30, 2018 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 on file did not include the family members' household income, which is considered incomplete. The amount of over claim calculated from January 1, 2018 through June 30, 2018 was \$202.20.

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

Response – Right now the Director is the one that figures all the income out and approves the applications. We will make sure the Assistant Director is double checking everything to make sure all the required information is obtained before starting to claim the child on the food program.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Stepping Stones Learning Center

Schedule of Findings

- (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 53% 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. In addition, all receipts for milk purchases should be retained and all milk donations should be recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – At our staff meeting on August 14<sup>th</sup> we will go over the required serving of milk for all ages of children so all the staff is aware of what needs to be served to each child. The cook will monitor each room at meal times to assure the children are getting the required milk they are supposed to. This will help with the required purchasing amount as well.

Conclusion – Response accepted.

- (D) 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 2018, the Center under reported 1 breakfast meal and over reported 1 snack in the reduced-price category for a total under claim of \$1.01.

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

Response – We have reviewed the meal counts and they were incorrectly reported. In the future, we will verify the numbers reported are accurate.


Conclusion – Response accepted.



Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Stepping Stones Learning Center

Schedule of Findings

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 Stepping Stones Learning Center during the course of our agreed-upon procedures engagement. 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 6, 2018

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709702  
Stepping Stones Learning Center

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Luke M. Bormann, CPA, Staff Auditor  
Nicholas J. Gassman, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is fluid and cursive, with the first name "Andrew" and last name "Nielsen" clearly legible.

Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #779717  
VINE STREET CHILD CARE  
WEST DES MOINES, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779717  
Vine Street Child Care**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

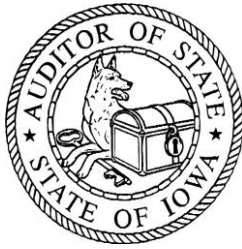
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Mandy Lechtenberg  
Hollie Allen

Operations Director/Owner  
Financial Director/Owner

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779717  
Vine Street Child Care  
West Des Moines, Iowa**



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STATE OF IOWA**

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Auditor of State

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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 Owners of Vine Street Child Care:

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 Vine Street 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, 2017 through June 30, 2018. 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 visited the Center on July 23, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 2018 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Vine Street 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 Vine Street 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 5, 2018



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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779717  
Vine Street Child Care

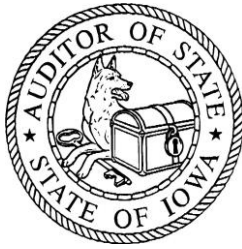
Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	12,812	\$ 7,234	15,443	3,712	26,389
Reduced-price meals	63	29	64	10	103
Paid meals	28,438	2,785	5,247	759	8,791
	<u>41,313</u>	<u>\$ 10,048</u>	<u>20,754</u>	<u>4,481</u>	<u>35,283</u>

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779717  
Vine Street Child Care  
West Des Moines, Iowa  
  
Schedule of Findings**



**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 Owners of Vine Street Child Care:

At your request, we made inquiries and observations regarding Vine Street Child Care's compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the 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. 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 reimbursement should be performed and the review should be documented by the initials or signature of the reviewer and the date of the review.

Response – Beginning in the 2018-2019 fiscal year, Vine Street Child Care will implement a two-person review process. Prior to submitting the monthly claim, Travis will bring it into the office for a second set of eyes to review the data and check for possible data entry or numerical errors.

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 2018, the following findings were noted:

- The Center incorrectly reported the number of enrolled children in two categories. The Center reported 1 child in the reduced-price category and 57 in the paid category. The Center should have reported no children in the reduced-price category and 55 in the paid category.
- The Center under reported the number of meals/snacks served according to the Center's meal participation records. This included 28 breakfast meals, 29 lunch meals and 32 snacks in the free category, 12 breakfast meals, 13 lunch meals and 14 snacks in the reduced-price category and 6 breakfast meals, 6 lunch meals and 5 snacks in the paid category. The total number of meals/snacks under claimed was 145 which totaled \$106.42.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779717  
Vine Street Child Care

Schedule of Findings

- The Center incorrectly claimed meals/snacks twice for one child in the paid category. This included 20 breakfast meals, 21 lunch meals, and 21 snacks, causing a total over claim of \$14.19.
- The Center claimed 75 meals/snacks for 10 children, five in the free category and five in the paid category, who were not in attendance during the time the meals/snacks were served. This included 25 breakfast meals, 25 lunch meals and 25 snacks, causing a total over claim of \$99.97.

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

Response – Beginning in the 2018-2019 fiscal year, Vine Street Child Care will implement a two-person review process. Prior to submitting the monthly claim, Travis will bring it to the office for a second set of eyes to review the data and check for possible data entry or numerical errors. Additionally, the cookies/autofill have been turned off on the computer used to submit claims so the 1<sup>st</sup> bullet will no longer be a problem.

Conclusion – Response accepted.

(C) Participant Eligibility – Eligibility applications for the period of October 1, 2017 through June 30, 2018 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 not completed on the most current form approved by the Department of Education. The amount of over claim calculated for this child from the application date through June 30, 2018 was \$701.06.
- One application on file was not complete. The application did not include the family members' household income and was not properly approved and dated by the Center. The amount of over claim calculated for this child from the application date through June 30, 2018 was \$714.66.
- Three applications, including four children, on file did not include the last four digits of the parent/guardian's social security number. The amount of over claim calculated for these four children from their application dates through June 30, 2018 was \$848.38.

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 #779717  
Vine Street Child Care

Schedule of Findings

Response – The Center will ensure that all applications are correct and completely filled out as required by the agency. Additionally, the Center will work to ensure that a complete and concise list is kept to cross reference with the database. We feel that a second set of eyes will drastically improve the accuracy and eliminate this issue in the future.

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 Vine Street Child Care during the course of our agreed-upon procedures engagement. 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

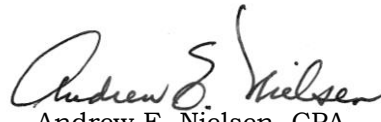
September 5, 2018

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #779717  
Vine Street Child Care

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Luke M. Bormann, CPA, Staff Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #979707  
STORY TIME PRESCHOOL  
SIOUX CITY, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979707  
Story Time Preschool**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

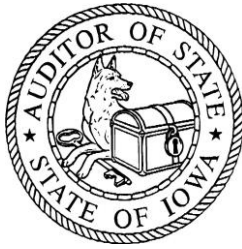
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Kim Storey-Geisler

Owner/Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979707  
Story Time Preschool  
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

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 Owner/Director of Story Time Preschool:

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 Story Time Preschool'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, 2017 through June 30, 2018. 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 visited the Center on August 7, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 2018 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Story Time Preschool, 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 Story Time Preschool 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 26, 2018

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979707  
Story Time Preschool

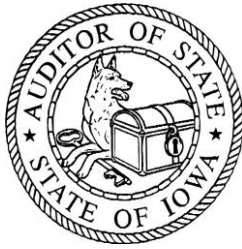
Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	6,815	\$ 2,571	8,158	2,631	13,360
Reduced-price meals	2,643	1,121	2,036	531	3,688
Paid meals	6,605	365	1,503	209	2,077
	<u>16,063</u>	<u>\$ 4,057</u>	<u>11,697</u>	<u>3,371</u>	<u>19,125</u>

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979707  
Story Time Preschool  
Sioux City, Iowa  
  
Schedule of Findings**



**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 Owner/Director of Story Time Preschool:

At your request, we made inquiries and observations regarding Story Time Preschool's compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the 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 – Kim will continue to be the one that pays all bills that come into the Center, but both Kim and Kara will make sure that all invoices for the Child and Adult Care Food Program are documented with the date that they are paid and the check number that is used to pay them and kept with the monthly documentation.

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 2018, the Center claimed 20 meals/snacks for 9 children who were not in attendance during the time the meals/snacks were served, causing a total over claim of \$14.47. This consisted of 3 breakfast meals, 4 lunch meals and 4 snacks in the paid category and 2 breakfast meals, 1 lunch meal and 6 snacks in the free category.

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

Response – We have designated a staff member to be the one who is making sure that all children are signed in and out on our attendance sheets daily. This is where we believe the over claim is coming from (parents not remembering to sign children in and staff forgetting to do it from them). This has been corrected immediately.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979707  
Story Time Preschool

Schedule of Findings

(C) Participant Eligibility – Eligibility applications for the period of October 1, 2017 through June 30, 2018 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 finding was noted:

- Five applications, including nine children, on file did not include the last four digits of the parent/guardian's social security number. The amount of over claim calculated for these nine children from their application dates through June 30, 2018 will be calculated by the Center and provided to the Department of Education at a later date.

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 – Kim and Kara will be going through all the applications as they come in and make sure that all families have the social security number in place, even the families that are foster children (4 of these children are/were in a foster family).

Conclusion – Response accepted.

(D) 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 66% 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. In addition, all receipts for milk purchases should be retained and all milk donations should be recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.


Response – Milk is sometimes bought at the end of the month for the next month (depending on the day of the week). We will from now on not purchase milk on the last day or two of the previous month to make sure that all the milk bought is accounted for. Also we have talked with staff and have shown them the correct amount of milk that needs to be given to each child and that even if a child does not want to have milk, they have to be served.

Conclusion – Response accepted.



Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979707  
Story Time Preschool  
  
Schedule of Findings

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 Story Time Preschool during the course of our agreed-upon procedures engagement. 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

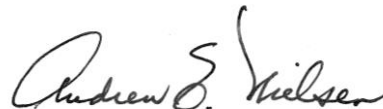
September 26, 2018

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979707  
Story Time Preschool

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Luke M. Bormann, CPA, Staff Auditor  
McKenzie M. Anderson, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #979711  
JJKNAP, INC.  
SIOUX CITY, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979711  
JJKNAP, Inc.**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

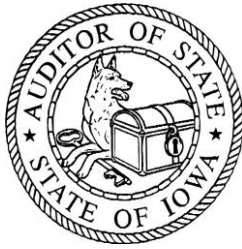
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Kim Storey-Geisler

Owner/Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979711  
JJKNAP, 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

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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 Owner/Director of JJKNAP, 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 JJKNAP, 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, 2017 through June 30, 2018. 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 visited the Center on August 7, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 JJKNAP, 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 JJKNAP, Inc. during the course of our agreed-upon procedures engagement. 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 26, 2018



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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979711  
JJKNAP, Inc.

Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	4,200	\$ 555	6,838	1,679	9,072
Reduced-price meals	547	187	643	92	922
Paid meals	2,024	80	489	68	637
	<u>6,771</u>	<u>\$ 822</u>	<u>7,970</u>	<u>1,839</u>	<u>10,631</u>

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979711  
JJKNAP, Inc.  
Sioux City, Iowa  
  
Schedule of Findings**



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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Mary Mosiman, CPA  
Auditor of State

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Owner/Director of JJKNAP, Inc.:

At your request, we made inquiries and observations regarding JJKNAP, Inc.'s compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through June 30, 2018. Following is a finding we identified as a result of our agreed-upon procedures, along with the related recommendation.

- (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 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 – Kim will continue to be the one that pays all bills that come into the Center, but both Kim and Kara will make sure that all invoices for the CACFP are documented with the date that they are paid and the check number that is used to pay them and kept with the monthly documentation.

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 JJKNAP, Inc. during the course of our agreed-upon procedures engagement. Should you have any questions concerning the above matter, we shall be pleased to discuss it with you at your convenience.

*Mary Mosiman*  
MARY MOSIMAN, CPA  
Auditor of State

September 26, 2018

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #979711  
JJKNAP, Inc.

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Luke M. Bormann, CPA, Staff Auditor  
Alexia M. Blank, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is fluid and cursive, with the first name "Andrew" and last name "Nielsen" clearly legible.

Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #709704  
LIVE, LAUGH, LOVE CHILD CARE CENTER  
MUSCATINE, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709704  
Live, Laugh, Love Child Care Center**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

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

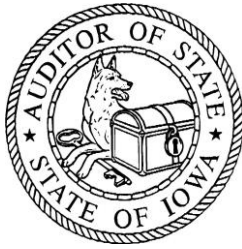
**Child Care Center**

Angie O'Brien

Owner/Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709704  
Live, Laugh, Love Child 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 Owner/Director of Live, Laugh, Love Child 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 Live, Laugh, Love Child 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, 2017 through June 30, 2018. 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:

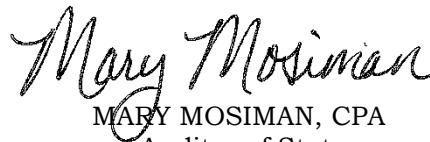
1. We visited the Center on July 9, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 2018 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Live, Laugh, Love Child 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 Live, Laugh, Love Child 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 24, 2018

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709704  
Live, Laugh, Love Child Care Center

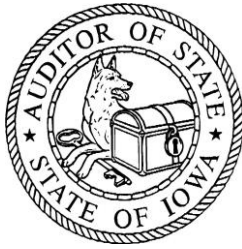
Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements				
		Breakfast	Lunch	Dinner	Snacks	Total
Free meals	28,071	\$ 10,252	21,381	9,819	11,618	53,070
Reduced-price meals	1,064	246	1,038	40	238	1,562
Paid meals	9,286	685	1,332	201	334	2,552
	<u>38,421</u>	<u>\$ 11,183</u>	<u>23,751</u>	<u>10,060</u>	<u>12,190</u>	<u>57,184</u>

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709704  
Live, Laugh, Love Child Care Center  
Muscatine, Iowa  
  
Schedule of Findings**



**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 Owner/Director of Live, Laugh, Love Child Care Center:

At your request, we made inquiries and observations regarding Live, Laugh, Love Child Care Center's compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the 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. 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 reimbursement should be performed and the review should be documented by the initials or signature of the reviewer and the date of the review.

Response – To resolve the segregation of duties issues, we will be having two people go over the eligibility applications, we will be having one person do the monthly claim for reimbursement and then another person review it, and I will have someone submit the billings to me for review.

Conclusion – Response accepted.

- (B) Participant Eligibility – Eligibility applications for the period of October 1, 2017 through June 30, 2018 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:

- Three applications on file did not include the parent/guardian's signature, as well as two of these applications were not dated by the parent/guardian.
- One application on file was not signed or dated by the Center.
- Four applications on file, including 7 children, were incorrectly classified. Three of the applications were classified as free when two of them should have been paid and one reduced-price. One application was classified as reduced-price when it should have been free. Based on a review of the meal participation records, 5 of the children noted were being correctly categorized and claimed; therefore, no over claim was calculated. The amount of over claim calculated for the 2 remaining children from the date of the application through June 30, 2018 was \$163.36.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709704  
Live, Laugh, Love Child Care Center

Schedule of Findings

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 – I do have the most current application form and I have thrown all the expired ones away. The three applications that were incorrectly classified wrong (free, reduced and paid), I will get them corrected. Any of the applications or eligibility forms that are not right, I will get them corrected. With two people going over everything hopefully these mistakes will be caught before a claim is entered.

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 61% 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. In addition, all receipts for milk purchases should be retained and all milk donations should be recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – We put the milk on the table and give the kids a half glass of milk. If they want more milk it is out and ready for them to get a refill. We were throwing away a lot of glasses of milk that were not being drank.

Conclusion – Response accepted.

- (D) 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 2018, the following findings were noted:

- The Center over reported the number of children in the free category by 5 and the number of children in the reduced-price category by 1.
- The Center claimed 33 meals/snacks for 16 children who were not in attendance during the time the meals/snacks were served, causing a total over claim of \$36.75. This consisted of 23 meals/snacks in the free category and 10 meals/snacks in the paid category.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709704  
Live, Laugh, Love Child Care Center


Schedule of Findings

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

Response – I looked through the list of the kids that I received payment for and they were not in attendance. Most of these children were more than likely here but not checked into the procare system. Every child is either in the 3 and 4 year old room or school age. We have some trouble getting the paperwork right because we hired new teachers into this room. We have now gotten everyone trained and the paperwork is getting done more efficiently. We also have the parents signing the children in and out better too.

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 Live, Laugh, Love Child Care Center during the course of our agreed-upon procedures engagement. 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 24, 2018

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #709704  
Live, Laugh, Love Child Care Center

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Luke M. Bormann, CPA, Staff Auditor  
Nicholas J. Gassman, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is fluid and cursive, with the first name "Andrew" and last name "Nielsen" clearly legible.

Andrew E. Nielsen, CPA  
Deputy Auditor of State



**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #578045  
BOYS AND GIRLS CLUB  
CEDAR RAPIDS, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH MAY 31, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578045  
Boys and Girls Club**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

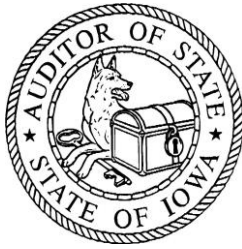
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

John Tursi

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578045  
Boys and Girls Club  
Cedar Rapids, Iowa**



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

Mary Mosiman, CPA  
Auditor of State

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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 the Boys and Girls Club:

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 Boys and Girls Club'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, 2017 through May 31, 2018. 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 visited the "at-risk" Center on May 24, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed the "at-risk" Center's six feeding sites to determine if they are located within the attendance area of a public school with at least 50% of its enrolled students eligible for free or reduced-price meals.
3. We selected the month of March 2018 to review the Center's daily meal participation records for accuracy and to determine if the monthly claim for reimbursement is properly supported. We also reviewed program expenses for the month of November 2017 to determine if they were properly supported.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. We reviewed the Center's monthly menu to document the number of meals delivered or prepared and to determine that the meals provided by the Center were in compliance with the requirements for an "at-risk" Center. We reviewed the Center's food service agreement requiring milk to be served at every meal.

Based on the performance of the procedures described above, we identified a recommendation which is 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the eight months ended May 31, 2018. 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 Boys and Girls Club, 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 Boys and Girls Club 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 18, 2018

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578045  
Boys and Girls Club

Schedule of Meals Served and Program Reimbursements

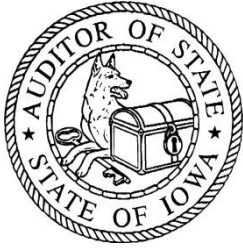
Eight months ended May 31, 2018

	No. of Meals Served	Program Reimbursements Supper
Free meals	<u>40,054</u>	<u>\$ 138,687</u>

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578045  
Boys and Girls Club  
Cedar Rapids, Iowa  
  
Schedule of Findings**





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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Mary Mosiman, CPA  
Auditor of State

To the Bureau of Nutrition and Health Services of the Iowa Department of Education  
and the Executive Director of Boys and Girls Club:

At your request, we made inquiries and observations regarding the Boys and Girls Club's compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through May 31, 2018. Following is the finding we identified as a result of our agreed-upon procedures, along with the related recommendation.

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 2017, the Center's reported program expenses were not sufficiently supported by the Center's records. The Center reported costs of \$22,405 for the month; however, the Center was only able to provide support for \$21,458.20 of the costs.


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

Response – During our audit November 2017, records were reviewed. November includes Thanksgiving meals of which the Center had additional meals and a vendor invoice was misfiled and not available or found during the audit.

Going forward the Center will review invoices for the month to be claimed and file the claim after all supporting documentation has been received.

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 Boys and Girls Club during the course of our agreed-upon procedures engagement. Should you have any questions concerning the above matter, we shall be pleased to discuss it with you at your convenience.

  
MARY MOSIMAN, CPA  
Auditor of State

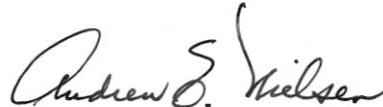
September 18, 2018

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578045  
Boys and Girls Club of Cedar Rapids

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Alex N. Kawamura, CPA, Staff Auditor  
McKenzie M. Anderson, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #770001  
COLOR MY WORLD CHILDCARE AND PRESCHOOL  
DES MOINES, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #770001  
Color My World Childcare and Preschool**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

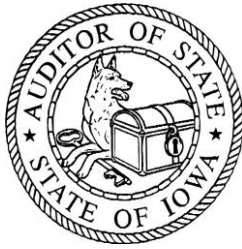
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Janee Sharp

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #770001  
Color My World Childcare and Preschool  
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 Color My World Childcare and Preschool:

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 Color My World Childcare and Preschool'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, 2017 through June 30, 2018. 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 visited the Center on July 12, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Color My World Childcare and Preschool, 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 Color My World Childcare and Preschool 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 26, 2018



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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #770001  
Color My World Childcare and Preschool

Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	15,911	\$ 6,218	15,765	6,869	28,852
Reduced-price meals	3,831	980	3,522	882	5,384
Paid meals	25,505	1,195	4,390	1,074	6,659
	<u>45,247</u>	<u>\$ 8,393</u>	<u>23,677</u>	<u>8,825</u>	<u>40,895</u>

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #770001  
Color My World Childcare and Preschool  
Des Moines, Iowa  
  
Schedule of Findings**



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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Mary Mosiman, CPA  
Auditor of State

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Color My World Childcare and Preschool:

At your request, we made inquiries and observations regarding Color My World Childcare and Preschool's compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the 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, 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 reimbursement 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 audit each month's summary for claim reimbursement and initial and date the summary sheet. This audit will be completed by the Operations Manager. If she is on leave, this audit will be completed by the Director. We will maximize our internal controls by continuing our checks on each step of the claim and documenting these checks.

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 2018, the Center claimed expenses of \$24 which do not qualify for reimbursement under the Child and Adult Care Food Program.

In addition, the Center claimed a significant number of meals/snacks for various children who were not in attendance during the time the meals/snacks were served. The total amount of over claim was \$574.24 and consisted of the following:

- 72 breakfast meals, 106 lunch meals and 151 snacks in the paid category, for an over claim of \$66.54.
- 10 breakfast meals, 17 lunch meals and 19 snacks in the reduced-price category, for an over claim of \$70.97.
- 58 breakfast meals, 73 lunch meals and 113 snacks in the free category, for an over claim of \$436.73.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #770001  
Color My World Childcare and Preschool

Schedule of Findings


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

Response – We currently have 2 different forms of tracking attendance. Parents are asked to sign in/out in a book in our main lobby. This tracks the date, time in and out for each child. Parents do not always remember to sign in and out in this book which is what this finding was based off of. Our classrooms keep attendance records that show if the child was in attendance, but not the times in and out, which are accurate but were not included in cross referencing this finding.

Our action plan for this is we posted a notice for parents to remind them to sign their child in and out. We are adding the addition of another classroom attendance form that the teachers track to also record the time in and out. Both of these action items should help ensure that we have the time recorded that the child was in our care and left. This should help ensure the claim reimbursement is accurate and there aren't any questions during future audits.

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 Color My World Childcare and Preschool during the course of our agreed-upon procedures engagement. 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 26, 2018

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #770001  
Color My World Childcare and Preschool

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Alexander Kawamura, Staff Auditor  
Jason J. Miller, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is fluid and cursive, with the first name "Andrew" and last name "Nielsen" clearly legible.

Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #179502  
LITTLE ANGEL'S CHILDCARE AND PRESCHOOL  
MASON CITY, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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Staff	12

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #179502  
Little Angel's Childcare and Preschool**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

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

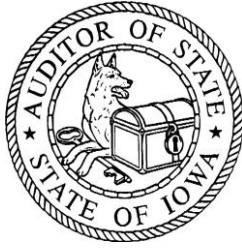
**Child Care Center**

Katie Douglas

Owner



**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #179502  
Little Angel's Childcare and Preschool  
Mason 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

**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 Owner of Little Angel's Childcare and Preschool:

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 Angel's Childcare and Preschool'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 internal controls are adequate for program participation, for the period of October 1, 2017 through June 30, 2018. The Center 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 visited the Center on July 11, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 2018 to review the Center 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 license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement is properly supported.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Angel's Childcare and Preschool, 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 Angel's Childcare and Preschool 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, 2018

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #179502  
Little Angel's Childcare and Preschool

Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements				Total
		Breakfast	Lunch	Supper	Snacks	
Free meals	29,447	\$ 8,866	27,928	13,120	11,023	60,937
Reduced-price meals	6,205	2,066	5,509	1,170	1,144	9,889
Paid meals	4,444	250	742	324	134	1,450
	40,096	\$ 11,182	34,179	14,614	12,301	72,276

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #179502  
Little Angel's Childcare and Preschool  
Mason City, Iowa  
  
Schedule of Findings**



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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Mary Mosiman, CPA  
Auditor of State

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Owner of Little Angel's Childcare and Preschool:

At your request, we made inquiries and observations regarding Little Angel's Childcare and Preschool's compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the 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 March 2018, the Center claimed 13 meals/snacks for five children who were not in attendance during the time the meals/snacks were served. This included 4 breakfast meals, 2 lunch meals, 2 dinner meals and 4 snacks in the free category and 1 snack in the reduced-price category, causing a total over claim of \$23.88.

In addition, program reimbursements exceeded program expenditures from October 2017 through June 2018, demonstrating that the Center is not running a non-profit food service program.

Recommendation – The Center should develop and implement procedures to ensure information reported on the monthly claims for reimbursement is accurate. In addition, the Center should expend all program reimbursements on allowable program expenses, which have been approved in their budget, as well as developing a plan to prevent this situation in the future.

Response – Our Center plans on implementing a more productive/accurate attendance procedure making sure these kids are being accounted for during meals and snacks. Also, we are new to this program and learning daily.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #179502  
Little Angel's Childcare and Preschool

Schedule of Findings

- (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 69% 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 during the month based on the month's menus and meal pattern requirements. In addition, all receipts for milk purchases should be retained and all milk donations should be recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – Little Angel's plans to have a new form or organization, making sure all receipts get put into the monthly binder. There are Hy-Vee milk receipts that did not get entered into the monthly claims, making it appear as though we did not purchase enough milk. All of our children receive the proper amount of milk at every meal/snack, so due to our error this happened. Moving forward, we will be sure to have a plan of action for other receipts from milk and food.

Conclusion – Response accepted.

- (C) Participant Eligibility – Eligibility applications for the period of October 1, 2017 through June 30, 2018 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, for 2 children, did not include the last four digits of the parent/guardian's social security number and the application was incorrectly classified by the Center as free instead of reduced-price. Since the application was incomplete, the amount of over claim will be calculated by the Center from the date of the application to June 30, 2018 and provided to the Department of Education at a later date.
- One application could not be located for one child categorized as free on the Center's summary of eligibility spreadsheet. The amount of over claim will be calculated by the Center from October 1, 2017 through June 30, 2018 and provided to the Department of Education at a later date.
- One application on file, for one child, was incorrectly classified by the Center as reduced-price instead of free. The amount of over claim will be calculated by the Center from the date of the application to June 30, 2018 and provided to the Department of Education at a later date.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #179502  
Little Angel's Childcare and Preschool

Schedule of Findings


- Two applications on file, for five children, were not completed on the most current form approved by the Iowa Department of Education and were older than 13 months. The amount of over claim will be calculated by the Center for these five children, based on the date the application became outdated through June 30, 2018 and provided to the Department of Education at a later date.

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 – Little Angel's will make sure to add the food application into the child enrollment packets, which will help to obtain the parent's information right away. We will also provide additional training to our food coordinator regarding the process of recording the free/reduced-price meals.

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 Little Angel's Childcare and Preschool during the course of our agree-upon procedures engagement. 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, 2018




Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #179502  
Little Angel's Childcare and Preschool

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Alex N. Kawamura, Staff Auditor  
Jason J. Miller, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is fluid and cursive, with the first name "Andrew" and last name "Nielsen" clearly legible.

Andrew E. Nielsen, CPA  
Deputy Auditor of State



**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #10538003  
HORIZONS  
CEDAR RAPIDS, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #10538003  
Horizons**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

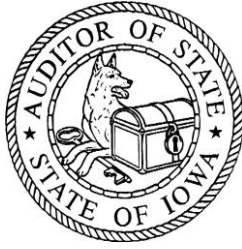
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Brian Siguenza

Client Services Coordinator

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #10538003  
Horizons  
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 Client Services Coordinator of Horizons:

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 Horizons' (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, 2017 through June 30, 2018. 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 visited the Center on July 17, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed the Center's listing of children participating in the Head Start program for the period of October 1, 2017 through June 30, 2018 to determine if the listing was comprehensive, including children who have been dropped from the program.
3. We selected the month of March 2018 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 and to determine if the monthly claim for reimbursement is properly supported.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Horizons, 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 Horizons 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, 2018



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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #10538003  
Horizons

Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements				
		Breakfast	Lunch	Supper	Snacks	Total
Free meals	59,112	\$ 29,153	68,762	568	19,738	118,221

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #10538003  
Horizons  
Cedar Rapids, Iowa  
Schedule of Findings**



**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 Client Services Coordinator of Horizons:

At your request, we made inquiries and observations regarding Horizons' compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the 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, 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 reimbursement should be performed and the review should be documented by the initials or signature of the reviewer and the date of the review.

Response – Once a claim has been entered our Controller/Director of Finance will verify the numbers and approve for submission.

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 2018, the Center claimed expenses of \$657.11 which do not qualify for reimbursement under the Child and Adult Care Food Program.

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


Response – The \$657.11 was identified by our then Director of Finance as a mistake. Having the Controller/Director of Finance review claims before they are submitted will help to alleviate any confusion in the future.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #10538003  
Horizons

Schedule of Findings

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 Horizons during the course of our agreed-upon procedures engagement. 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

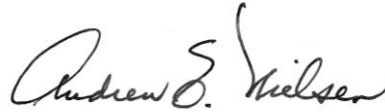
September 19, 2018

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #10538003  
Horizons

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Alex Kawamura, CPA, Staff Auditor  
Nicholas J. Gassman, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State



**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #768011  
POCAHONTAS AREA CSD – DISCOVERY DAYCARE  
POCAHONTAS, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #768011  
Pocahontas Area CSD – Discovery Daycare**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

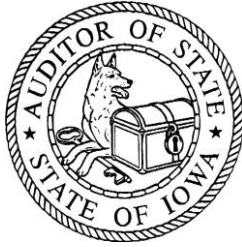
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Diane Pattee

Business Manager, Pocahontas Area CSD

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #768011  
Pocahontas Area CSD – Discovery Daycare  
Pocahontas, 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 Business Manager of Pocahontas Area CSD - Discovery 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 Pocahontas Area CSD – Discovery 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, 2017 through June 30, 2018. 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 visited the Center on August 6, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 2018 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 no 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Pocahontas Area CSD – Discovery 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 Pocahontas Area CSD - Discovery 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 24, 2018

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #768011  
Pocahontas Area CSD - Discovery Daycare

Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	2,659	\$ 1,827	2,154	874	4,855
Paid meals	11,875	1,096	2,137	342	3,575
	14,534	\$ 2,923	4,291	1,216	8,430


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

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #768011  
Pocahontas Area CSD - Discovery Daycare

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Luke M. Bormann, CPA, Staff Auditor  
McKenzie M. Anderson, Assistant Auditor  
Alexia M. Blank, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #078034  
COMMUNITY UNITED CHILD CARE CENTER  
CEDAR FALLS, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #078034  
Community United Child Care Center**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

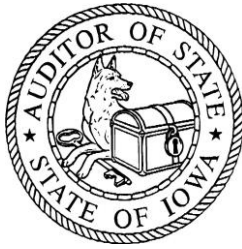
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Susan Dehl

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #078034  
Community United Child Care Center  
Cedar Falls, 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 Community United Child 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 Community United Child 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, 2017 through June 30, 2018. 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 visited the Center on July 9, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 2018 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Community United Child 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 Community United Child 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 24, 2018

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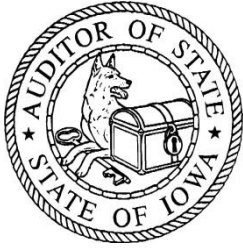
Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #078034  
Community United Child Care Center  
Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	9,907	\$ 4,456	11,056	3,668	19,180
Reduced-price meals	6,949	2,249	6,866	1,389	10,504
Paid meals	223,137	18,706	35,595	7,613	61,914
	239,993	\$ 25,411	53,517	12,670	91,598

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #078034  
Community United Child Care Center  
Cedar Falls, Iowa  
  
Schedule of Findings**



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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Mary Mosiman, CPA  
Auditor of State

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Executive Director of Community United Child Care Center:

At your request, we made inquiries and observations regarding Community United Child Care Center's compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the related recommendations.

- (A) 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 during the month based on the month's menus and meal pattern requirements. In addition, all receipts for milk purchases should be retained and all milk donations should be recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – This could be a result of an average of milk that was purchased from the previous month. Tracking would help us determine if we are serving and adequately purchasing required servings. Re-training staff in serving sizes will help to ensure proper serving sizes for each age group.

Conclusion – Response accepted.

- (B) Participant Eligibility – Eligibility applications for the period of October 1, 2017 through June 30, 2018 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 on file was not signed or dated by the Center. The total amount of over claim was \$492.54.

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 – Each Center will also review before sending to administration as another layer.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #078034  
Community United Child Care Center

Schedule of Findings

(C) 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 2018, the Center claimed one reduced-price snack for a child who was not in attendance during the time the snack was served. This caused a total over claim of \$0.44.

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

Response – A double check of daily attendance for meals at each Center office would ensure we are not over claiming meals during each month.

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 Community United Child Care Center during the course of our agreed-upon procedures engagement. 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 24, 2018




Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #078034  
United Community Child Care Center

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Alex N. Kawamura, Staff Auditor  
Jason J. Miller, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA  
Deputy Auditor of State



**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #578033  
WAYPOINT SERVICES  
CEDAR RAPIDS, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578033  
Waypoint Services**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

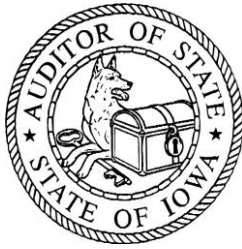
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Terri Godwin

Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578033  
Waypoint Services  
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 Director of Waypoint Services:

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 Waypoint Services' (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, 2017 through June 30, 2018. 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 visited the Center on July 16, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 2018 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Waypoint Services 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 Waypoint Services 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 18, 2018



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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578033  
Waypoint Services

Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	40,633	\$ 16,406	40,445	17,228	74,079
Reduced-price meals	12,173	4,346	10,621	2,512	17,479
Paid meals	107,138	7,237	14,836	4,453	26,526
	<u>159,944</u>	<u>\$ 27,989</u>	<u>65,902</u>	<u>24,193</u>	<u>118,084</u>

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578033  
Waypoint Services  
Cedar Rapids, Iowa  
  
Schedule of Findings**



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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Mary Mosiman, CPA  
Auditor of State

To the Bureau of Nutrition and Health Services of the Iowa Department of Education and the Director of Waypoint Services:

At your request, we made inquiries and observations regarding Waypoint Services' compliance with the requirements and regulations of the Child and Adult Care Food Program for the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the 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 March 2018, the following findings were noted:

- The Center claimed 3 lunch meals and 6 snacks for one child in the free category who was not in attendance during the time the meals/snacks were served, causing a total over claim of \$14.97.
- The Center claimed 2 breakfast meals, 2 lunch meals and 2 snacks in the free category, when they should have been claimed in the paid category. This caused an over claim of \$10.34.
- The Center claimed 1 breakfast meal and 1 lunch meal in the reduced category, when they should have been claimed in the free category, causing an under claim of \$0.70.
- For one day tested, the Center under claimed free snacks by 1 for a total under claim of \$0.88.

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

Response – The Center Directors will look at the in/out times and absences in relation to the meals claimed each Monday following the completed week. They will also follow up with the Lead Teachers to complete the forms accurately if there are errors. Waypoint's Family Support Specialist will double check the work when completing data entry for accounting.

Waypoint understands that accurate calculations on the Iowa Eligibility Applications are essential to correctly categorizing each family and submitting accurate monthly claims for reimbursement. After the audit in July, Waypoint's Senior Accountant was placed on a performance improvement plan, one component was to be retrained on the Steps to Success Learning Modules. Moving forward Waypoint's Chief Financial Officer will double check and sign off on all Eligibility Applications to ensure their accuracy.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578033  
Waypoint Services

Schedule of Findings

(B) Participant Eligibility – Eligibility applications for the period of October 1, 2017 through June 30, 2018 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 did not include the last four digits of the parent/guardian's social security number. The amount of over claim calculated for this child from the application date through June 30, 2018 was \$879.62.
- Four applications, including 9 children, were not completed on the most current form approved by the Iowa Department of Education and/or were older than 13 months. The amount of over claim calculated for these 9 children, based on the date the application became outdated through June 30, 2018, was \$1,938.11.
- One application on file was not signed or dated by the Center. The amount of over claim for this child from the application date through June 30, 2018 was \$147.03.

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 – Waypoint understands accurate calculations on the Iowa Eligibility Applications are essential to correctly categorizing each family and submitting accurate monthly claims for reimbursement. After the audit in July, Waypoint's Senior Accountant was placed on a performance improvement plan, one component was to be retrained on the Steps to Success Learning Modules. Moving forward, Waypoint's Chief Financial Officer will double check and sign off on all Eligibility Applications to ensure their accuracy.

In addition, the following procedures will be implemented.

- In October, Waypoint will complete an internal audit to determine all enrolled children have approved applications completed on the most updated form.
- Waypoint's Center Directors will complete the Steps to Success Learning Module on Income Applications to support the families with collecting all pertinent information prior to the forms being turned into the accounting department.
- Waypoint's Managing Director of Child Care Services will meet monthly with the Senior Accountant and Chief Financial Officer to review upcoming expirations on Income Eligibility forms and incomplete applications to support proper completion prior to submitting any claims for those children.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578033  
Waypoint Services

Schedule of Findings

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 Waypoint Services during the course of our agreed-upon procedures engagement. 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

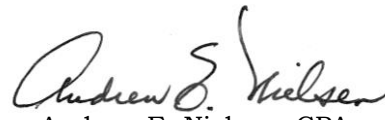
September 18, 2018

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #578033  
Waypoint Services

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Alex N. Kawamura, CPA, Staff Auditor  
Nicholas J. Gassman, Assistant Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #178010  
CHARLIE BROWN PRESCHOOL AND CHILDCARE  
MASON CITY, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #178010  
Charlie Brown Preschool and Childcare**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

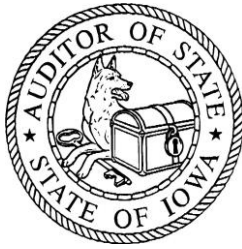
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Amber Morud

Executive Director

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #178010  
Charlie Brown Preschool and Childcare  
Mason 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 Director of Charlie Brown Preschool and Childcare:

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 Charlie Brown Preschool and Childcare (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, 2017 through June 30, 2018. 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 visited the Center on July 10, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Charlie Brown Preschool and 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 Charlie Brown Preschool and 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 24, 2018

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #178010  
Charlie Brown Preschool and Childcare

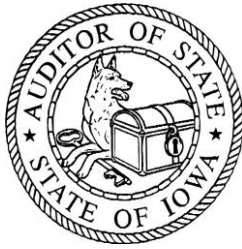
Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

	No. of Meals Served	Program Reimbursements				
		Breakfast	Lunch	Supper	Snacks	Total
Free meals	71,318	\$ 27,277	69,897	34,954	22,395	154,523
Reduced-price meals	22,486	6,321	17,925	11,800	3,705	39,751
Paid meals	112,071	7,859	17,596	7,198	3,214	35,867
	<u>205,875</u>	<u>\$ 41,457</u>	<u>105,418</u>	<u>53,952</u>	<u>29,314</u>	<u>230,141</u>

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

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #178010  
Charlie Brown Preschool and Childcare  
Mason City, Iowa  
  
Schedule of Findings**



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

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Mary Mosiman, CPA  
Auditor of State

To the Bureau of Nutrition and Health Services of the Iowa Department of Education  
and the Director of Charlie Brown Preschool and Childcare:

At your request, we made inquiries and observations regarding Charlie Brown Preschool and Childcare's compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the related recommendations.

- (A) Participant Eligibility – Eligibility applications for the period of October 1, 2017 through June 30, 2018 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 on file was signed by the Center; however, it did not include an effective date. The application included 4 children and the total amount of over claim calculated from October 1, 2017 through June 30, 2018 was \$984.71.

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 will have the On-site Director approve applications and CACFP Director will review and initial the applications as a double check to our system along with the stars noted for free and reduced-price children in top corner of the form.

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 2018, the Center claimed meals/snacks for 5 children who were not in attendance during the time the meals/snacks were served. This included 1 breakfast meal, 1 lunch meal and 4 snacks in the paid category, as well as 1 snack in the free category. This caused a total over claim of \$1.81.

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


Response – We review with staff filling out meal count sheets that at mealtime they need to be sure to place the X by the right child's name.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #178010  
Charlie Brown Preschool and Childcare

Schedule of Findings

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 Charlie Brown Preschool and Childcare during the course of our agreed-upon procedures engagement. 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 24, 2018




Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #178010  
Charlie Brown Preschool and Childcare

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Alex N. Kawamura, CPA, Staff Auditor  
Jason J. Miller, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is written in a cursive style with a large, stylized "A" and "N".

Andrew E. Nielsen, CPA  
Deputy Auditor of State

**BUREAU OF NUTRITION AND HEALTH SERVICES  
IOWA DEPARTMENT OF EDUCATION  
AGREEMENT #929701  
KIDS COUNTRY CLUB  
KALONA, IOWA**

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

**FOR THE PERIOD  
OCTOBER 1, 2017 THROUGH JUNE 30, 2018**

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**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #929701  
Kids Country Club**

**Officials**

Name

Title

**State**

Honorable Kim Reynolds  
David Roederer  
Glen P. Dickinson  
Ann Feilmann

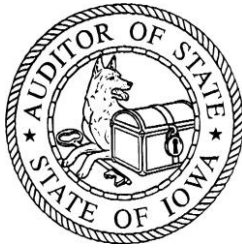
Governor  
Director, Department of Management  
Director, Legislative Services Agency  
Bureau Chief, Bureau of Nutrition and Health  
Services, Iowa Department of Education

**Child Care Center**

Kim Barthelman

Owner

**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #929701  
Kids Country Club  
Kalona, Iowa**



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

Mary Mosiman, CPA  
Auditor of State

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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 Owner of Kids Country Club:

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 Kids Country Club'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, 2017 through June 30, 2018. 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 visited the Center on July 18, 2018 and reviewed internal controls with Center staff to determine if the controls in place are adequate for program participation.
2. We reviewed all eligibility applications for the Center for the period of October 1, 2017 through June 30, 2018 to determine if they were complete and properly approved.
3. We selected the month of March 2018 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.
4. We observed at least one meal or snack to determine if meal pattern requirements were being met, including the presence of the required components, to determine adequate quantities were served for the age and number of participants.
5. 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 or review, the objective of which should be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Meals Served and Program Reimbursements for the nine months ended June 30, 2018. 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 Kids Country Club, 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 Kids Country Club 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, 2018

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Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #929701  
Kids Country Club

Schedule of Meals Served and Program Reimbursements

Nine months ended June 30, 2018

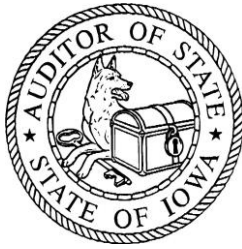
	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	14,444	\$ 6,900	14,127	5,651	26,678
Reduced-price meals	3,727	1,936	3,369	568	5,873
Paid meals	17,278	1,729	2,626	534	4,889
	<u>35,449</u>	<u>\$ 10,565</u>	<u>20,122</u>	<u>6,753</u>	<u>37,440</u>

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



**Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #929701  
Kids Country Club  
Kalona, Iowa**

**Schedule of Findings**



**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 Owner of Kids Country Club:

At your request, we made inquiries and observations regarding Kids Country Club's compliance with the requirements and regulations of the Child and Adult Care Food Program during the period of October 1, 2017 through June 30, 2018. Following are the findings we identified as a result of our agreed-upon procedures, along with the 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 – I will give Vanessa more of the duties to help in the aspect of internal controls.

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 2018, the support for meals/snacks reported and claimed did not properly add for two days. Therefore, for one day the Center over claimed 2 breakfast meals and 1 snack in the free category, totaling \$4.38. For the second day the Center under claimed 2 lunch meals and 1 snack in the free category, as well as, 3 breakfast meals, 3 snacks and 2 lunch meals in the reduced-price category for a total under claim of \$21.06.

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

Response – I will go over monthly with Vanessa all free and reduced-price categories to make sure she is coding them at the right income level as well as double check her counting for numbers each day before final numbers are documented.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #929701  
Kids Country Club

Schedule of Findings

- (C) Participant Eligibility – Eligibility applications for the period of October 1, 2017 through June 30, 2018 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 finding was noted:

- One application on file, including 4 children, was incomplete. It did not properly identify that the family qualified for the Family Investment Program (FIP), which qualifies the children for free meals. The FIP case number was not included on the application and the Center did not identify the approved category on the application. The amount of over claim calculated from October 1, 2017 through June 30, 2018 was \$1,601.15.

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 – I have calculated all meals from October 1, 2017 to June 30, 2018. I have highlighted all areas that need completed on applications and will have Vanessa double check them as well.

Conclusion – Response accepted.

- (D) 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 72% 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. In addition, all receipts for milk purchases should be retained and all milk donations should be recorded. The Center should also ensure employees are adequately trained and supervised when serving milk at meals/snacks.

Response – Since we do family style, some children refuse to take milk. We encourage milk intake for all children but have not required them to take it if they refuse. We always have more than enough milk on hand for the week, children just choose not to drink it so we have leftover gallons from the week previous.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #929701  
Kids Country Club

Schedule of Findings

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 Kids County Club during the course of our agreed-upon procedures engagement. 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, 2018

Bureau of Nutrition and Health Services  
Iowa Department of Education  
Agreement #929701  
Kids Country Club

Staff

This engagement was performed by:

Tammy A. Hollingsworth, CIA, Manager  
Alexander Kawamura, CPA, Staff Auditor  
Nicholas J. Gassman, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is written in a cursive style with a large, stylized "A" and "N".

Andrew E. Nielsen, CPA  
Deputy Auditor of State