

**REGINA COELI CHILD
DEVELOPMENT CENTER
FIN: 72-0680604**

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

Release Date 10-19-05

Audits of Financial Statements

May 31, 2005
and
May 31, 2004

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Regina Coeli Child Development Center
Robert, Louisiana

We have audited the accompanying statements of financial position of **REGINA COELI CHILD DEVELOPMENT CENTER** (a non-profit Corporation) as of May 31, 2005 and 2004, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of **REGINA COELI CHILD DEVELOPMENT CENTER's** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **REGINA COELI CHILD DEVELOPMENT CENTER** as of May 31, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2005, on our consideration of **REGINA COELI CHILD DEVELOPMENT CENTER's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

A handwritten signature in cursive script, likely representing the auditing firm, located below the main text.

A Professional Accounting Corporation

July 30, 2005

**REGINA COELI CHILD DEVELOPMENT CENTER
STATEMENTS OF FINANCIAL POSITION**

ASSETS

	May 31,	
	2005	2004
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 214,064	\$ 108,736
Certificate of Deposit	1,191,964	1,166,945
Grants Receivable	1,157,102	829,444
Other Receivables	6,892	7,710
Inventory	2,468	1,819
Prepaid Expenses	933	614
Total Current Assets	2,573,423	2,115,268
PROPERTY, PLANT AND EQUIPMENT		
Land	773,663	507,324
Buildings	6,995,590	6,800,049
Vehicles	1,036,872	978,399
Equipment	477,179	454,216
Leasehold Improvements	732,460	631,879
	10,015,764	9,371,867
Less: Accumulated Depreciation and Amortization	(2,989,576)	(2,658,834)
Total Property, Plant and Equipment, Net	7,026,188	6,713,033
OTHER ASSETS		
Loan Fees, Net	62,890	66,200
Deposits	5,283	2,283
Total Other Assets	68,173	68,483
Total Assets	\$ 9,667,784	\$ 8,896,784

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 612,117	\$ 225,400
Accrued Payroll Expenses	655,537	602,606
Notes Payable	163,835	81,629
Capital Lease Payable	7,680	11,986
Total Current Liabilities	1,439,169	921,621
LONG-TERM LIABILITIES		
Notes Payable, Net of Current Portion	4,546,821	4,713,349
Capital Lease Payable, Net of Current Portion	-	7,680
Total Long-Term Liabilities	4,546,821	4,721,029
Total Liabilities	5,985,990	5,642,650
NET ASSETS- Unrestricted	3,681,794	3,254,134
Total Liabilities and Net Assets	\$ 9,667,784	\$ 8,896,784

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

**REGINA COELI CHILD DEVELOPMENT CENTER
STATEMENTS OF ACTIVITIES**

	For The Years Ended	
	May 31,	
	<u>2005</u>	<u>2004</u>
REVENUES		
Grants	\$ 13,460,080	\$ 12,717,823
Goods and Services Contributed	1,979,485	2,356,335
Cash Contributions	131,973	133,528
Other Income	45,439	46,810
Interest Revenue	<u>25,235</u>	<u>-</u>
Total Revenues	<u>15,642,212</u>	<u>15,254,496</u>
EXPENSES		
Personnel	8,202,557	7,927,866
Goods and Services Contributed	1,979,485	2,356,335
Fringe Benefits	1,790,195	1,625,210
Occupancy	611,502	627,539
Food Costs	450,062	359,386
Other Supplies	336,685	307,746
Travel	331,833	345,204
Depreciation	330,742	335,177
Educational Supplies	294,147	267,239
Training	214,152	150,146
Interest Expense	199,675	269,845
Insurance	165,556	150,060
Other	144,071	98,338
Consultants	112,588	127,865
Fundraising Costs	47,992	46,859
Amortization	<u>3,310</u>	<u>-</u>
Total Expenses	<u>15,214,552</u>	<u>14,994,815</u>
INCREASE IN NET ASSETS	427,660	259,681
NET ASSETS - BEGINNING	<u>3,254,134</u>	<u>2,994,453</u>
NET ASSETS - ENDING	<u>\$ 3,681,794</u>	<u>\$ 3,254,134</u>

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

**REGINA COELI CHILD DEVELOPMENT CENTER
STATEMENTS OF CASH FLOWS**

	For The Years Ended	
	May 31,	
	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 427,660	\$ 259,681
Adjustments to Reconcile Increase In Net Assets to Net Cash Provided By Operating Activities:		
Depreciation	330,742	335,177
Amortization	3,310	-
(Increase) in Grants Receivable	(327,658)	(47,994)
Decrease in Other Receivables	818	1,222
(Increase) Decrease in Inventory	(649)	517
(Increase) in Prepaid Expenses	(319)	(180)
(Increase) in Loan Fees	-	(66,200)
(Increase) in Deposits	(3,000)	-
Increase in Accounts Payable	386,717	2,175
Increase in Accrued Payroll Expenses	<u>52,931</u>	<u>28,751</u>
Total Adjustments	<u>442,892</u>	<u>253,468</u>
Net Cash Provided by Operating Activities	870,552	513,149
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(643,897)	(613,862)
Purchase of Certificate of Deposit	<u>(25,019)</u>	<u>(1,166,945)</u>
Net Cash (Used in) Investing Activities	<u>(668,916)</u>	<u>(1,780,807)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Notes Payable	-	4,000,000
Principal Payments on Notes Payable	(84,322)	(2,720,729)
Principal Payments on Capital Lease Payable	<u>(11,986)</u>	<u>(10,639)</u>
Net Cash (Used in) Provided by Financing Activities	<u>(96,308)</u>	<u>1,268,632</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	105,328	974
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>108,736</u>	<u>107,762</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 214,064</u>	<u>\$ 108,736</u>

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

REGINA COELI CHILD DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
May 31, 2005

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of REGINA COELI CHILD DEVELOPMENT CENTER's (the Center) significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

HISTORY OF CENTER

The Center is a non-profit corporation that operates Head Start programs in Southeast Louisiana. The Center has been in existence since 1969. It operates sixteen centers, including Head Start, Early Head Start and Migrant Head Start programs, in the six parishes of Livingston, St. Helena, St. Tammany, Tangipahoa, Washington, and Ascension. The Center provided service to 1,830 and 1,809 children and families during the years ended May 31, 2005 and 2004, respectively. The goal of the Center is to improve the educational and economical opportunity of those it serves.

PRESENTATION OF FINANCIAL STATEMENTS

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

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

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

The following is a recap of in-kind contributions recognized in the years ended May 31, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Rental of Facilities	\$ 78,932	\$ 77,338
Occupancy and Other Operating Expenses	346,896	291,626
Supplies	242,922	335,161
Pupil and Staff Transportation	899,986	973,165
Services	<u>410,749</u>	<u>679,045</u>
	<u>\$ 1,979,485</u>	<u>\$ 2,356,335</u>

REGINA COELI CHILD DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
May 31, 2005

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Services valued at \$944,086 and \$1,127,093 during the years ended May 31, 2005 and 2004, respectively, did not meet the criteria of SFAS No. 116 and were not recognized.

BASIS OF ACCOUNTING

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

GRANT CONTROL/SUPPORT

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

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

GRANT AND REIMBURSEMENT CONTRACT REVENUES

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

ESTIMATES

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

CONCENTRATIONS OF CREDIT RISK

Over 70% of the Center's funds during the years ended May 31, 2005 and 2004 are derived from grants from the U.S. Department of Health and Human Services. Any loss of such funding could cause a severe financial impact on the Center's operations. Also, at May 31, 2005, cash in local banks exceeded Federal Deposit Insurance Corporation coverage by \$1,206,028.

COMPARATIVE DATA

Certain amounts previously reported in the prior year have been reclassified to conform to the classification used in the current year. Such reclassifications had no effect on reported income.

REGINA COELI CHILD DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
May 31, 2005

NOTE B

GRANTS RECEIVABLE

The balance of grants receivable consists of the following:

	2005	2004
Federal Grants:		
Head Start Program	\$ 929,519	\$ 621,297
Migrant Head Start Program	9,747	28,663
Child Care Food Program	211,679	175,484
Children's Trust Fund	6,157	4,000
	\$ 1,157,102	\$ 829,444

NOTE C

INVENTORY

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

NOTE D

INCOME TAXES

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

NOTE E

STATEMENTS OF CASH FLOWS

For purposes of the Statements of Cash Flows, the Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash paid for interest during the years ended May 31, 2005 and 2004, totaled \$199,675 and \$269,845, respectively.

NOTE F

FIXED ASSETS

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

Buildings, vehicles, equipment, and furniture are stated at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Depreciation of all exhaustible fixed assets is charged as an expense. Depreciation has been provided using the straight-line method. The estimated lives are as follows:

Buildings	40 Years
Modular Building	15 Years
Vehicles	10 Years
Equipment	5-10 Years
Furniture	10 Years

REGINA COELI CHILD DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
May 31, 2005

NOTE F

FIXED ASSETS (Continued)

Leasehold improvements are stated at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. Amortization of the leasehold improvements is charged as an expense. Amortization has been provided using the straight-line method over the remaining lease term.

NOTE G

PENSION PLAN

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

<u>Year</u>	<u>Percent</u>
0 to less than 2	0%
2	25%
3	50%
4	75%
5 or more	100%

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

During the years ended May 31, 2005 and 2004, \$334,449 and \$183,173, respectively, was contributed to the plan for the benefit of the plan participants employed by the Center, which is included in fringe benefits on the statement of activities.

REGINA COELI CHILD DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
May 31, 2005

NOTE H

NOTES PAYABLE

A summary of notes payable for purchase of Head Start facilities and transportation equipment is as follows:

	<u>2005</u>	<u>2004</u>
5.52% Variable rate mortgage payable to a bank, secured by real estate, due in monthly installments of \$1,284 through May 2018	\$ 91,958	\$ 101,914
9.00% Mortgage payable to a bank, secured by real estate, due in monthly installments of \$3,940 through May 2005	-	45,040
4.875% Mortgage payable to U.S.D.A. Rural Economic and Community Development, secured by real estate, due in monthly installments of \$3,933 through October 2027	641,104	656,633
6.00% Mortgage payable to an individual, secured by real estate, due in monthly installments of \$3,575 through October 2023	477,594	491,391
3.50% Revenue bonds payable to a bank, secured by letter of credit from another bank, due in monthly payments of interest only, and one principal payment annually through July 2024. Fees for this loan include a trustee fee of \$1,500 annually, a remarketing fee of \$875 quarterly, and a quarterly letter of credit fee calculated at 1.25% per annum of the outstanding principal balance	<u>3,500,000</u>	<u>3,500,000</u>
Total	<u>\$ 4,710,656</u>	<u>\$ 4,794,978</u>

Principal payments required in future years as of May 31, 2005 are as follows:

<u>Year Ending</u> <u>May 31,</u>	
2006	\$ 163,835
2007	171,225
2008	178,768
2009	186,475
2010	193,789
Thereafter	<u>3,816,573</u>
Total	<u>\$ 4,710,665</u>

REGINA COELI CHILD DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
May 31, 2005

NOTE I

CAPITAL LEASE PAYABLE

During the year ended May 31, 2003, the Center entered into an agreement to purchase time clock equipment and software under a capital lease obligation. The capitalized cost and accumulated depreciation of this equipment at May 31, 2005 was as follows:

Equipment	\$ 34,276
Less: Accumulated Depreciation	<u>(8,569)</u>
	<u>\$ 25,707</u>

The following is a schedule of future minimum lease payments as of May 31, 2005:

<u>Year Ending</u> <u>May 31,</u>	
2006	<u>\$ 7,680</u>

Total interest expense on capital lease obligations for the years ended May 31, 2005 and 2004 was \$1,711 and \$2,833, respectively.

NOTE J

OPERATING LEASES

The Center has commitments on two lease agreements for space rental as of May 31, 2005, as follows:

<u>Locations in Louisiana</u>	<u>Lease</u> <u>Expiration</u>	<u>Monthly</u> <u>Payments</u>
Bogalusa Head Start	September 2006	\$ 2,000
Central Tangipahoa Head Start, Independence	August 2006	\$ 2,000

The related future minimum lease payments as of May 31, 2005, are as follows:

<u>Year Ending</u> <u>May 31,</u>	
2006	\$ 48,000
2007	<u>14,000</u>
Total	<u>\$ 62,000</u>

REGINA COELI CHILD DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
May 31, 2005

NOTE J

OPERATING LEASES (Continued)

Total lease expense included in occupancy expense in the accompanying financial statements is \$70,800 and \$73,868 for the years ended May 31, 2005 and 2004, respectively.

NOTE K

NONFEDERAL SHARE

Federal financial assistance granted for the Center's Head Start and Early Head Start programs shall not exceed 80 percent of the total costs of the program. Federal financial assistance granted for the Center's Migrant Head Start program shall not exceed 95 percent of the total costs of the program. Minimum requirements for this nonfederal share are based upon total federal expenditures.

For the program year ended May 31, 2005, the Head Start and Early Head Start programs are combined into one federal grant. The federal expenditures and the nonfederal share for the total Head Start program, both cash and in-kind contributions, are as follows:

	<u>Federal Expenditures</u>	<u>Non Federal Share</u>	
		<u>Required</u>	<u>Received</u>
Head Start	<u>\$ 11,436,609</u>	<u>\$ 2,859,152</u>	<u>\$ 2,859,152</u>

For the program year ended May 31, 2004, the federal expenditures and the nonfederal share for the Head Start Program, both cash and in-kind contributions, are as follows:

	<u>Federal Expenditures</u>	<u>Non Federal Share</u>	
		<u>Required</u>	<u>Received</u>
Head Start	<u>\$ 10,944,714</u>	<u>\$ 2,736,179</u>	<u>\$ 3,511,925</u>

The program year for the Migrant Head Start program is February 1 through January 31. The federal expenditures and the nonfederal share for the periods February 1, 2004 through January 31, 2005 and February 1, 2005 through May 31, 2005, both cash and in-kind contributions, are as follows:

	<u>Federal Expenditures</u>	<u>Non Federal Share</u>	
		<u>Required</u>	<u>Received</u>
02-01-04 through 01-31-05	<u>\$ 920,892</u>	<u>\$ 48,468</u>	<u>\$ 53,552</u>
02-01-05 through 05-31-05	<u>\$ 314,371</u>	<u>\$ 16,546</u>	<u>\$ 26,204</u>

REGINA COELI CHILD DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
May 31, 2005

NOTE K

NONFEDERAL SHARE (Continued)

Nonfederal in-kind contributions received during the year are recorded in the accompanying financial statements as revenues and expenses to the extent that they meet the criteria of SFAS No. 116 (see Note A). All in-kind contributions are included as revenues and expenses in the supplemental schedules attached to these statements. In-kind contributions are based on estimated values as determined by the funding source and fair market values of materials or services donated.

NOTE L

RESTRICTIONS ON ASSETS

All assets acquired with Department of Health and Human Services funds are owned by **REGINA COELI CHILD DEVELOPMENT CENTER** while used in the Head Start program for which they were purchased. The Department of Health and Human Services, however, has a reversionary interest in the assets purchased with grant funds which includes all assets reported as fixed assets. Therefore, the disposition of these assets as well as the ownership of any sale proceeds there from, is subject to the funding source requirements of the Department of Health and Human Services. Also, a cash account with a balance of \$37,174 and \$32,325 at May 31, 2005 and 2004, respectively, is reserved in connection with the Center's borrowings from the U.S. Department of Agriculture.

NOTE M

CONTINGENCIES

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

REGINA COELI CHILD DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
May 31, 2005

NOTE N
INSURANCE

As of May 31, 2005, the Center has the following insurance coverage:

<u>Insurer</u>	<u>Policy Expiration Date</u>	<u>Amount of Coverage</u>	<u>Type of Coverage</u>
Stonington Insurance	6/05	\$1,000,000 1,000,000 1,000,000	Business Auto Bodily Injury Uninsured Hired/Non Owned
Stonington Insurance	6/05	3,000,000 1,000,000 1,000,000 100,000 5,000	General Liability Aggregate Personal/advertising Each occurrence Fire damage Medical expense
Stonington Insurance	6/05	9,339,884 1,665,000 349,680	Buildings Contents Improvements
American Reliable Ins. Co.	4/06	477,600 499,200 239,300	Hammond HS Flood Building Robert HS Flood-Building Robert HS Flood-Contents
Travelers Insurance Company	11/05	1,000,000	Directors and Officers Liability
Fidelity and Deposit Co. of Maryland	9/05	300,000	Employee Dishonesty
ITT Hartford Insurance Group	6/05	5,000 10,000 25,000 1,000 35,000	Student Accident Acc. Death Acc. Dismemberment Acc. Medical Acc. Dental Paralysis and Coma
Fidelity and Deposit Co. of Maryland	6/05	200,000	Emp. Retirement Bond

SUPPLEMENTAL INFORMATION

REGINA COELI CHILD DEVELOPMENT CENTER
SCHEDULE OF FEDERAL AWARDS BY CATALOG OF FEDERAL
DOMESTIC ASSISTANCE (CFDA) NUMBER AND OTHER
FINANCIAL ASSISTANCE
For the Year Ended May 31, 2005

	Department of Agriculture		Department of Health & Human Services										Total Federal Programs	Other Financial Assistance	Plant Fund	Total All Funds	
	10,558		Head Start Programs					Migrant Head Start Program									
	PA-22 and PA-25	PA-20 and PA-26	Total	06-01-04 to 01-31-05	02-01-05 to 05-31-05	Total	Childrens Trust Fund	Total	Other Financial Assistance	Plant Fund	Total						
REVENUES																	
Grants	896,686	11,235,914	12,132,600	676,938	314,371	991,329	10,000	13,334,624	125,456	-	25,019	13,460,080					
Cash Contributions	-	-	-	-	-	-	-	-	131,973	-	-	131,973					
Other Income	1,026	-	1,026	-	-	-	-	1,026	44,413	-	-	45,439					
Interest Income	-	194	194	-	-	-	-	194	22	-	-	216					
In-Kind Contributions	-	2,859,152	2,859,152	38,215	26,204	64,419	-	2,923,571	-	-	-	2,923,571					
Total Revenues	897,712	14,095,260	14,992,972	715,173	340,575	1,055,748	10,000	16,259,415	301,864	25,019	25,019	16,586,298					
EXPENSES																	
Personnel	506,866	6,985,636	7,492,502	361,408	213,026	574,434	9,011	8,106,931	95,626	-	-	8,202,557					
Fringe Benefits	107,323	1,563,976	1,671,299	57,461	36,118	93,579	989	1,772,256	17,939	-	-	1,790,195					
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	-	-					
Food Costs	177,757	226,607	404,364	30,098	11,564	41,662	-	446,026	4,036	-	-	450,062					
Other	-	108,136	108,136	6,810	130	7,040	-	114,946	29,125	-	-	144,071					
Occupancy	68,066	479,878	547,944	29,630	15,070	44,700	-	592,644	18,858	-	-	611,502					
Training	2,004	26,477	28,481	14,346	6,241	20,587	-	212,390	1,762	-	-	214,152					
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-					
Educational Supplies	-	179,205	179,205	33,545	15,239	48,784	-	227,989	66,158	-	-	294,147					
Insurance	-	157,043	157,043	2,041	2,041	2,041	-	159,084	6,472	-	-	165,556					
Travel	3,340	289,001	292,341	27,318	9,090	36,408	-	328,749	3,084	-	-	331,833					
Other Supplies	32,356	273,889	306,245	9,634	3,484	13,118	-	319,363	17,322	-	-	336,685					
Consultants	-	103,963	103,963	4,216	4,409	8,625	-	112,588	-	-	-	112,588					
Fundraising	-	-	-	-	-	-	-	-	47,992	-	-	47,992					
In-kind Expenditures	-	2,859,152	2,859,152	38,215	26,204	64,419	-	2,923,571	-	-	-	2,923,571					
Total Expenses	897,712	13,252,963	14,145,675	614,592	340,575	955,167	10,000	15,316,537	308,374	533,727	533,727	16,158,638					
EXCESS OF (DEFICIENCY) OF REVENUES OVER EXPENDITURES																	
TRANSFERS TO PLANT FUND - NET	-	842,297	842,297	100,581	-	100,581	-	942,878	(6,510)	(508,708)	(508,708)	427,660					
FUND BALANCES - BEGINNING																	
FUND BALANCES - ENDING																	

**FINANCIAL STATUS REPORT
(Long Form)**

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted HHS/ACF		2. Federal Grant or Other Identifying Number Assigned By Federal Agency 06CB6007/35		OMB Approval No. 0348-0039	Page of 1 / 1 pages
3. Recipient Organization (Name and complete address, including ZIP code) Regina Coeli Child Development Center 22476 Highway 190 Robert, LA 70455					
4. Employer Identification Number 72-0680604		5. Recipient Account Number or Identifying Number		6. Final Report <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
7. Basis <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual		8. Funding/Grant Period (See instructions) From: (Month, Day, Year) June 1, 2004			
9. Period Covered by this Report From: (Month, Day, Year) December 1, 2004		To: (Month, Day, Year) May 31, 2005			
10. Transactions:					
		I	I	III	
		Previously Reported	This Period	Cumulative	
a. Total outlays		5,742,653	8,625,251	14,367,904	
b. Refunds, rebates, etc.		0	0	0	
c. Program income used in accordance with the deduction alternative		17,493	44,650	62,143	
d. Net outlays (Line a, less the sum of lines b and c)		5,725,160	8,580,601	14,305,761	
Recipient's share of net outlays, consisting of:					
e. Third party (in-kind) contributions		856,855	2,002,297	2,859,152	
f. Other Federal awards authorized to be used to match this award		0	10,000	10,000	
g. Program income used in accordance with the matching or cost sharing alternative		0	0	0	
h. All other recipient outlays not shown on lines e, f or g		0	0	0	
i. Total recipient share of net outlays (Sum of lines e, f, g and h)		856,855	2,012,297	2,869,152	
j. Federal share of net outlays (line d less line i)		4,868,305	3,724,645	11,436,609	
k. Total unliquidated obligations				0	
l. Recipient's share of unliquidated obligations				0	
m. Federal share of unliquidated obligations				0	
n. Total Federal share (sum of lines j and m)				11,436,609	
o. Total Federal funds authorized for this funding period				11,439,504	
p. Unobligated balance of Federal funds (Line o minus line n)				2,895	
Program income, consisting of:					
q. Disbursed program income shown on lines c and/or g above				62,143	
r. Disbursed program income using the addition alternative				0	
s. Undisbursed program income				0	
t. Total program income realized (Sum of lines q, r and s)				62,143	
11. Indirect Expense					
a. Type of Rate (Place "X" in appropriate box) <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed					
b. Rate		c. Base		d. Total Amount	
				e. Federal Share	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation. USDA/CCFP = \$896,686 Admin. Exp = \$ 2,119,828 T&TA = \$ 200,695					
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.					
Typed or Printed Name and Title Judith W. Loyde, Executive Director				Telephone (Area code, number and extension) 985-318-8800, ext 206	
Signature of Authorized Accounting Official <i>Judith W. Loyde</i>				Date Report Submitted 8/17/05	

REGINA COELI CHILD DEVELOPMENT CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended May 31, 2005

Federal Grantor	CFDA Number	Grant Period	Grant Contract or Award Number	Total Grant Award	(Accrued) Deferred Revenues 5-31-04	Cash and Commodities Received	Revenues Recognized	Expenditures	(Accrued) Deferred Revenues 5-31-05
U.S. Department of Agriculture: Child Care Food Program (Passed through the Louisiana Department of Education)	10.558	6/1/04 to 5/31/05	N/A	\$ 896,686	\$ (175,484)	\$ 860,491	\$ 896,686	\$ 896,686	\$ (211,679)
U.S. Department of Health and Human Services: Head Start - Major Program	93.600	6/1/04 to 5/31/05	06CH6007/35	11,436,609	(621,297)	11,128,387	11,436,609	11,436,609	(929,519)
Migrant Head Start - Major Program (Passed through the Community Action Program for Central Arkansas)	93.600 93.600	2/1/04 to 1/31/05 2/1/05 to 1/31/06	90CM0101 90CM0101	987,633 987,633	(28,663)	703,075 303,474	674,412 313,221	674,412 313,221	- (9,747)
Children's Trust Fund (Passed through the Louisiana Department of Social Services)	93.590	7/1/04 to 6/30/05	600301	10,000	(4,000)	7,843	10,000	10,000	(6,157)
Total U.S. Department of Health and Human Services					(653,960)	12,142,779	12,434,242	12,434,242	(945,423)
Total Federal Grants					\$ (829,444)	\$ 13,003,270	\$ 13,330,928	\$ 13,330,928	\$ (1,157,102)

REGINA COELI CHILD DEVELOPMENT CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
May 31, 2005

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A

SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B

COMMUNITY FACILITIES LOANS

As of May 31, 2005, **REGINA COELI CHILD DEVELOPMENT CENTER** had a loan outstanding to the U.S. Department of Agriculture as follows:

Livingston Center	\$ <u>641,104</u>
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The above loan is not included in the Schedule of Expenditures of Federal Awards because there are no related compliance requirements other than timely payment.

**REGINA COELI CHILD DEVELOPMENT CENTER
SCHEDULE OF BOARD MEMBERS
May 31, 2005**

<u>NAME</u>	<u>ADDRESS</u>	<u>PHONE</u>
Shannon Anderson	P.O. Box 919 Amite, LA 70422	(985) 748-4144
Marian Arrowsmith	1000 Montgomery Street Mandeville, LA 70448	(985) 892-2276
William Barker	79233 Barker Rd. Covington, LA 70435	(985) 875-9248
Eric R. Bissel	227 N. Columbia Street Covington, LA 70433	(985) 893-9489
Jean Dawsey	81030 Dawsey Road Covington, LA 70435	(985) 892-2611
Victor Doucette	32140 Bayou Paquet Road Slidell, LA 70458	(985) 643-8971
Cynthia Elliott	2230 Oleander Baton Rouge, LA 70806	(985) 549-5269
Shirley D. Freeman	P.O. Box 974 Greensburg, LA 70441	(225) 222-4033
Alex Kropog	30165 George White Road Holden, LA 70744	(225) 686-2436
Kathi Legg	210 W. Robert Apt. #12 Hammond, LA 70401	(985) 543-4165
Hildra Martin	2624 S. Columbia Road Bogalusa, LA 70427	(985) 732-9933
Ralph G. Miller	50132 Huckleberry Lane Folsom, LA 70457	(985) 796-3308
Shannon Fitch	44304 Deer Ridge Rd. Ponchatoula, LA 70454	(985) 345-4970
Joanne Pettit	406 Browning Loop Mandeville, LA 70448	(985) 951-8147
Carol Torrey	350 Hyacinth Lane Mandeville, LA 70471	(985) 626-1168

See independent auditor's report.



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

Board of Directors
Regina Coeli Child Development Center
Robert, Louisiana

We have audited the financial statements of **REGINA COELI CHILD DEVELOPMENT CENTER** (a non-profit entity) as of and for the years ended May 31, 2005 and 2004, and have issued our report thereon dated July 30, 2005. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **REGINA COELI CHILD DEVELOPMENT CENTER's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **REGINA COELI CHILD DEVELOPMENT CENTER's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the finance committee, management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A Professional Accounting Corporation

July 30, 2005

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

Board of Directors
Regina Coeli Child Development Center
Robert, Louisiana

Compliance

We have audited the compliance of **REGINA COELI CHILD DEVELOPMENT CENTER** (a non-profit entity) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the years ended May 31, 2005 and 2004. **REGINA COELI CHILD DEVELOPMENT CENTER's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of **REGINA COELI CHILD DEVELOPMENT CENTER's** management. Our responsibility is to express an opinion on **REGINA COELI CHILD DEVELOPMENT CENTER's** compliance based on our audits.

We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Centers*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **REGINA COELI CHILD DEVELOPMENT CENTER's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion. Our audits do not provide a legal determination of **REGINA COELI CHILD DEVELOPMENT CENTER's** compliance with those requirements.

In our opinion, **REGINA COELI CHILD DEVELOPMENT CENTER** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended May 31, 2005 and 2004.

Internal Control Over Compliance

The management of **REGINA COELI CHILD DEVELOPMENT CENTER** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered **REGINA COELI CHILD DEVELOPMENT CENTER's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, likely representing the firm's name or a representative.

A Professional Accounting Corporation

July 30, 2005

**REGINA COELI CHILD DEVELOPMENT CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
May 31, 2005**

Section 1

Financial Statements

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

Federal Awards

- | | | |
|----|---|--------------------|
| 1. | Internal control over major programs | |
| | a. Material weaknesses identified | None |
| | b. Reportable conditions identified not considered to be material weaknesses | None |
| 2. | Type of auditor's report issued on compliance for major program | Unqualified |
| 3. | Audit findings disclosed that are required in accordance with OMB A-133, Section 510a | None |
| 4. | Identification of major program | |
| | 93.600 | Head Start |
| | 93.600 | Migrant Head Start |
| 5. | Dollar threshold used to distinguish between Type A and B programs | \$300,000 |
| 6. | Auditee qualified as a low - risk auditee under OMB A-133 Section 530 | Yes |

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Awards Findings and Questioned Costs

None

**REGINA COELI CHILD DEVELOPMENT CENTER
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
May 31, 2005**

Section 1

Financial Statements

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

Federal Awards

- | | | |
|----|---|-----------------------------|
| 1. | Internal control over major programs | |
| a. | Material weaknesses identified | None |
| b. | Reportable conditions identified not considered to be material weaknesses | None |
| 2. | Type of auditor's report issued on compliance for major program | Unqualified |
| 3. | Audit findings disclosed that are required in accordance with OMB A-133, Section 510a | None |
| 4. | Identification of major program | |
| | 93.600 | Head Start/Early Head Start |
| | 93.600 | Migrant Head Start |
| 5. | Dollar threshold used to distinguish between Type A and B programs | \$300,000 |
| 6. | Auditee qualified as a low - risk auditee under OMB A-133 Section 530 | Yes |

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Awards Findings and Questioned Costs

None