



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

NEWS RELEASE

Contact: Pam Bormann
515/281-5834

FOR RELEASE

December 10, 2025

Auditor of State Rob Sand released agreed-upon procedures reports on six agreements between the Bureau of Nutrition and Health Services of the Iowa Department of Education and child care centers for the period October 1, 2024 through August 31, 2025.

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.

Sand recommended the Centers review their control procedures to obtain the maximum internal control possible, develop and implement procedures to ensure information reported on the monthly claim for reimbursement is accurate and ensure an application is on file for each child categorized as free or reduced-price and each application is complete, properly approved and dated.

Copies of the agreed-upon procedures reports are available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

#

**BUREAU OF NUTRITION AND HEALTH SERVICES
IOWA DEPARTMENT OF EDUCATION
AGREEMENT #770010
ALL STAR DAY CARE, INC.
DES MOINES, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD
OCTOBER 1, 2024 THROUGH AUGUST 31, 2025**



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

October 23, 2025

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the
Owner of the All Star Day Care, Inc.:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education and All Star Day Care, Inc. for the eleven months ended August 31, 2025. The report also includes certain unaudited information pertaining to meals served and program reimbursements. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the owner and employees of the All Star Day Care, Inc. throughout the agreed-upon procedures engagement. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Table of Contents

	<u>Page</u>
Officials	3
Auditor of State's Independent Report on Applying Agreed-Upon Procedures	4-5
Schedule of Meals Served and Program Reimbursements	6
Detailed Findings and Recommendations	7-8
Staff	9

**Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #770010
All Star Day Care, Inc.**

Officials

Name

Title

State

Honorable Kim Reynolds
Kraig Paulsen
Tim McDermott
McKenzie Snow
Kala Shipley

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

Child Care Center

Karen Newcomb

Owner



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education
and the Owner of the All Star Day Care, Inc.:

We performed the procedures below, on All Star Day Care, Inc.'s (Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program for the Bureau of Nutrition and Health Services of the Iowa Department of Education, to determine if the program and participation data reported by the Center for reimbursements was accurate and to determine if the Center's internal controls were adequate for program participation, for the period of October 1, 2024 through August 31, 2025. The Center's management, which agreed to the performance of the procedures performed, 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 Iowa Department of Education has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to report, recommendations pertaining to the selected records and related information of the Center including the Center's compliance with the provisions of the Child and Adult Care Food Program. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed are summarized as follows:

1. We visited the Center on September 24, 2025 and obtained an understanding of the Center's internal controls to determine if proper control procedures were in place and were adequate for program participation.
2. We observed all eligibility applications for the Center for the period of October 1, 2024 through August 31, 2025 to determine if they were complete and properly approved.
3. We selected the month of February 2025 to observe the Center's daily meal participation records for accuracy, to observe time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement was properly supported.
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, the existence of adequate documentation for combination foods which contribute to more than one food component and adequate quantities were served for the age and number of participants.
5. We observed daily meal production records to determine whether quantities prepared met meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified various findings and recommendations for the Center. Our findings and recommendations are described in the Detailed Findings and Recommendations section of this report. Unless reported in the Detailed Findings and Recommendations, items of noncompliance were not noted during the performance of the specific procedures listed above.

We were engaged by the Bureau of Nutrition and Health Services of the Iowa Department of Education to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Center's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the eleven months ended August 31, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Bureau and Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 All Star Day Care, Inc. and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and All Star Day Care, 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.



Pam Bormann, CPA
Deputy Auditor of State

October 23, 2025

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #770010
All Star Day Care, Inc.

Schedule of Meals Served and Program Reimbursements
(Unaudited)

Eleven months ended August 31, 2025

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	28,694	\$ 13,731	46,485	16,035	76,251
Reduced-price meals	1,969	1,022	2,887	496	4,405
Paid meals	6,205	678	1,504	263	2,445
	<u>36,868</u>	<u>\$ 15,431</u>	<u>50,876</u>	<u>16,794</u>	<u>83,101</u>

See accompanying Auditor of State's independent report on applying agreed-upon procedures.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #770010
All Star Day Care, Inc.

Detailed Findings and Recommendations

To the Bureau of Nutrition and Health Services of the Iowa Department of Education
and the Owner of All Star Day Care, Inc.:

At your request, we made inquiries and observations regarding the All Star Day Care Inc.'s compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the period of October 1, 2024 through August 31, 2025. Following are the findings and recommendations we identified as a result of our agreed-upon procedures.

- (A) Segregation of Duties – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the Center's data reported for reimbursement. Generally, one individual is responsible for the preparation approval and disbursement of bills. The monthly claims for reimbursement are 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 initial or signature of the reviewer and the date of the review.

Response – For financial documentation review, the Lead Cook/Lead Teacher will review and verify all receipts and invoices against payments each month. They will also review monthly claims for reimbursement prior to submission and provide written approval by signing off once verified.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #770010
All Star Day Care, Inc.

Detailed Findings and Recommendations

- (B) Participant Eligibility – Eligibility applications for the period October 1, 2024, through August 31, 2025 were observed 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. While applications were received for four children, who were categorized as free, and received meals according to the Center’s meal participation daily log, they were not included on the summary of free and reduced-price eligibility worksheet.

Recommendation – The Center should develop and implement procedures to ensure the summary of free and reduced-price eligibility worksheet is complete and accurate and reflects the summary of the participant applications.

Response – For enrollment application verification, the Lead Teacher/Lead Cook will verify that all current applications and any new enrollment applications are complete, accurate, and properly filed with all other required documents. A monthly review will be conducted to ensure that a complete and approved application is on file for each child newly enrolled during that month. The free and reduced-price eligibility worksheets will be reviewed monthly to verify they are complete and accurate for all current and new enrollment.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #770010
All Star Day Care, Inc.

Staff

This engagement was performed by:

Pamela J. Bormann, CPA, Deputy
Alexander N. Kawamura, CPA, Manager
Maria R. Collins, Staff Auditor
Bryce L. Rasmussen, Staff Auditor

**BUREAU OF NUTRITION AND HEALTH SERVICES
IOWA DEPARTMENT OF EDUCATION
AGREEMENT #709707
BRIDGE TO BEGINNINGS
MUSCATINE, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD
OCTOBER 1, 2024 THROUGH AUGUST 31, 2025**



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

November 10, 2025

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the
Director of the Bridge to Beginnings:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education and Bridge to Beginnings, for the eleven months ended August 31, 2025. The report also includes certain unaudited information pertaining to meals served and program reimbursements. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the owner and employees of the Bridge to Beginnings throughout the agreed-upon procedures engagement. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand", written in a cursive style.

Rob Sand
Auditor of State

Table of Contents

	<u>Page</u>
Officials	3
Auditor of State's Independent Report on Applying Agreed-Upon Procedures	4-5
Schedule of Meals Served and Program Reimbursements	6
Detailed Findings and Recommendations	7-9
Staff	10

**Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #709707
Bridge to Beginnings**

Officials

Name

Title

State

Honorable Kim Reynolds
Kraig Paulsen
Tim McDermott
McKenzie Snow
Kala Shipley

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

Child Care Center

Mikelle Cooke

Director



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education
and the Director of the Bridge to Beginnings:

We performed the procedures below, on Bridge to Beginnings' (Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program for the Bureau of Nutrition and Health Services of the Iowa Department of Education, to determine if the program and participation data reported by the Center for reimbursements was accurate and to determine if the Center's internal controls were adequate for program participation, for the period of October 1, 2024 through August 31, 2025. The Center's management, which agreed to the performance of the procedures performed, 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 Iowa Department of Education has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to report, recommendations pertaining to the selected records and related information of the Center including the Center's compliance with the provisions of the Child and Adult Care Food Program. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed are summarized as follows:

1. We visited the Center on October 8, 2025 and obtained an understanding of the Center's internal controls to determine if proper control procedures were in place and were adequate for program participation.
2. We observed all eligibility applications for the Center for the period of October 1, 2024 through August 31, 2025 to determine if they were complete and properly approved.
3. We selected the month of April 2025 to observe the Center's daily meal participation records for accuracy, to observe time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement was properly supported.
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, the existence of adequate documentation for combination foods which contribute to more than one food component and adequate quantities were served for the age and number of participants.
5. We observed daily meal production records to determine whether quantities prepared met meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified various findings and recommendations for the Center. Our findings and recommendations are described in the Detailed Findings and Recommendations section of this report. Unless reported in the Detailed Findings and Recommendations, items of noncompliance were not noted during the performance of the specific procedures listed above.

We were engaged by the Bureau of Nutrition and Health Services of the Iowa Department of Education to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Center's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the eleven months ended August 31, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Bureau and Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 Bridge to Beginnings 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 Nutrition and Health Services of the Iowa Department of Education and Bridge to Beginnings 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.



Pam Bormann, CPA
Deputy Auditor of State

November 10, 2025

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #709707
Bridge to Beginnings

Schedule of Meals Served and Program Reimbursements
(Unaudited)

Eleven months ended August 31, 2025

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	8,250	\$ 5,511	11,934	4,253	21,698
Reduced-price meals	3,756	2,553	4,517	917	7,987
Paid meals	18,474	1,663	4,553	879	7,095
	<u>30,480</u>	<u>\$ 9,727</u>	<u>21,004</u>	<u>6,049</u>	<u>36,780</u>

See accompanying Auditor of State's independent report on applying agreed-upon procedures.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #709707
Bridge to Beginnings

Detailed Findings and Recommendations

To the Bureau of Nutrition and Health Services of the Iowa Department of Education
and the Director of the Bridge to Beginnings:

At your request, we made inquiries and observations regarding the Bridge to Beginnings' compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the period of October 1, 2024 through August 31, 2025. Following are the findings and recommendations we identified as a result of our agreed-upon procedures.

- (A) Segregation of Duties – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the Center's data reported for reimbursement. Generally, one individual is responsible for the preparation, approval and disbursement of bills. The monthly claims for reimbursement are 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 initial or signature of the reviewer and the date of the review.

Response – Our accountant does do a monthly report on all expenditures, including food and supplies purchased, this person is contracted outside of our childcare center, and we will not be requiring any documentation to be signed by this person previously or going forward. There is more than one person involved in the financial aspect of our childcare center as a whole including myself, and this will still be the process we use. Our person responsible for entering the food program documentation will be more thorough to make sure her numbers are put into the system correctly to eliminate the issue going forward.

Conclusion – Response acknowledged. The Center should ensure independent reviews of the monthly claims for reimbursement be documented by the initial or signature of the reviewer and the date of the review.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #709707
Bridge to Beginnings

Detailed Findings and Recommendations

(B) Operating Expenses – The Center submits a report monthly detailing the current month’s costs for food purchases, vended meals, food service labor and other non-food service costs. For the month of April 2025, the following findings were noted:

- Food purchases in the CNP cost claims detail report were \$3,807 while actual expenses were \$3,745.
- Other non-food service costs in the CNP cost claims detail report were \$1,079 while actual expenses were \$1,050.

Recommendation – The Center should develop and implement procedures to ensure the expenses submitted to the Iowa Department of Education are correct.

Response – The person responsible for putting in information will be more thorough when checking receipts and entering expenses.

Conclusion – Response accepted.

(C) Participant Eligibility – Eligibility applications for the period October 1, 2024 through August 31, 2025 were observed 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 Iowa Department of Education.
- Two applications on file had expired. The overclaimed amount will be calculated by the Center from the date of application to August 31, 2025 and provided to the Iowa Department of Education, as required.
- Two applications on file did not include the last four digits of the parent/guardian’s social security number, nor was the “No Social Security” box checked.
- Two applications on file did not include parent/guardian signatures.
- Three applications on file did not include income or household information in the eligibility determination section to be completed by the Center; however, were properly categorized in the summary of free and reduced-price eligibility worksheet based on other information in the application.
- One application on file was not dated by the Center.
- Two applications on file did not have a determination identified whether free, reduced-price or paid category at the bottom of the application; however, were properly categorized on the summary of free and reduced-price eligibility worksheet based on other information in the application.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #709707
Bridge to Beginnings

Detailed Findings and Recommendations

- Applications were received for twenty-three children. Seventeen children were categorized as free, and six children were categorized as reduced-price. Twenty-one of the children received meals according to the Center's meal participation daily log; however, they were not included in the summary of free and reduced-price eligibility worksheet. One child was categorized as free on the application; however, was classified as paid on the summary of free and reduced-price eligibility worksheet. One child was categorized as reduced-price on the application; however, was classified as paid on the summary of free and reduced-price eligibility worksheet.

The underclaimed amount will be calculated by the Center from the date of the application to August 31, 2025 and provided to the Iowa Department of Education, as required.

Recommendation – The Center should develop and implement procedures to ensure each application on file for children categorized as free or reduced-price is current, correct, complete, properly approved, dated and has not expired. The Center should also develop and implement procedures to ensure the summary of free and reduced-price eligibility worksheet is complete and accurate.

Response – The problem occurred during a staff change with the person in charge of our food program in our center. We understand how frustrating all of these are, and when we went through the applications this year the person responsible for the food program tracking and the Director went over the paperwork to ensure all forms were filled out how they needed to be, getting any applications fixed that we could.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #709707
Bridge to Beginnings

Staff

This engagement was performed by:

Pamela J. Bormann, CPA, Deputy
Alexander N. Kawamura, CPA, Manager
Maria R. Collins, Staff Auditor
Brianna M. Denton, Staff Auditor

**BUREAU OF NUTRITION AND HEALTH SERVICES
IOWA DEPARTMENT OF EDUCATION
AGREEMENT #949707
CHILDCARE DISCOVERY CENTER
FORT DODGE, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD
OCTOBER 1, 2024 THROUGH AUGUST 31, 2025**



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

October 17, 2025

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the
Owner of the Childcare Discovery Center:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education and Childcare Discovery Center, for the eleven months ended August 31, 2025. The report also includes certain unaudited information pertaining to meals served and program reimbursements. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the owner and employees of the Childcare Discovery Center throughout the agreed-upon procedures engagement. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized and cursive.

Rob Sand
Auditor of State

Table of Contents

	<u>Page</u>
Officials	3
Auditor of State's Independent Report on Applying Agreed-Upon Procedures	4-5
Schedule of Meals Served and Program Reimbursements	6
Detailed Findings and Recommendations	7-8
Staff	9

**Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #949707
Childcare Discovery Center**

Officials

Name

Title

State

Honorable Kim Reynolds
Kraig Paulsen
Tim McDermott
McKenzie Snow
Kala Shipley

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

Child Care Center

Tammy McNeil

Owner



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education
and the Owner of the Childcare Discovery Center:

We performed the procedures below, on Childcare Discovery Center's (Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program for the Bureau of Nutrition and Health Services of the Iowa Department of Education, to determine if the program and participation data reported by the Center for reimbursements was accurate and to determine if the Center's internal controls were adequate for program participation, for the period of October 1, 2024 through August 31, 2025. The Center's management, which agreed to the performance of the procedures performed, 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 Iowa Department of Education has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to report, recommendations pertaining to the selected records and related information of the Center including the Center's compliance with the provisions of the Child and Adult Care Food Program. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed are summarized as follows:

1. We visited the Center on October 6, 2025 and obtained an understanding of the Center's internal controls to determine if proper control procedures were in place and were adequate for program participation.
2. We observed all eligibility applications for the Center for the period of October 1, 2024 through August 31, 2025 to determine if they were complete and properly approved.
3. We selected the month of February 2025 to observe the Center's daily meal participation records for accuracy, to observe time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement was properly supported.
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, the existence of adequate documentation for combination foods which contribute to more than one food component and adequate quantities were served for the age and number of participants.
5. We observed daily meal production records to determine whether quantities prepared met meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified various findings and recommendations for the Center. Our findings and recommendations are described in the Detailed Findings and Recommendations section of this report. Unless reported in the Detailed Findings and Recommendations, items of noncompliance were not noted during the performance of the specific procedures listed above.

We were engaged by the Bureau of the Nutrition and Health Services of the Iowa Department of Education to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Center's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the eleven months ended August 31, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Bureau and Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 Childcare Discovery 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 Nutrition and Health Services of the Iowa Department of Education and Childcare Discovery 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.



Pam Bormann, CPA
Deputy Auditor of State

October 17, 2025

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #949707
Childcare Discovery Center

Schedule of Meals Served and Program Reimbursements
(Unaudited)

Eleven months ended August 31, 2025

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	21,157	\$ 13,308	28,377	11,730	53,415
Reduced-price meals	5,113	2,836	6,924	1,309	11,069
Paid meals	29,142	2,489	6,454	1,530	10,473
	<u>55,412</u>	<u>\$ 18,633</u>	<u>41,755</u>	<u>14,569</u>	<u>74,957</u>

See accompanying Auditor of State's independent report on applying agreed-upon procedures.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #949707
Childcare Discovery Center

Detailed Findings and Recommendations

To the Bureau of Nutrition and Health Services of the Iowa Department of Education
and the Owner of the Childcare Discovery Center:

At your request, we made inquiries and observations regarding the Childcare Discovery Center's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the period of October 1, 2024 through August 31, 2025. Following are the findings and recommendations we identified as a result of our agreed-upon procedures.

- (A) Segregation of Duties – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the Center's data reported for reimbursement. Generally, one individual is responsible for the preparation approval and disbursement of bills. The monthly claims for reimbursement are 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 initial or signature of the reviewer and the date of the review.

Response – Both of our cooks do the menu planning and purchasing of the food. The owner then goes over all the receipts making sure they match up with the food production records and that the appropriate number of groceries were purchased. The owner then will have the Director go over all the related documents each month before submitting to the state.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #949707
Childcare Discovery Center

Detailed Findings and Recommendations

- (B) Participant Eligibility – Eligibility applications for the period of October 1, 2024, through August 31, 2025 were observed 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 incorrectly categorized. The child was categorized as reduced-price and should have been free on the summary of free and reduced-price eligibility worksheet.

Recommendation – The Center should develop and implement procedures to ensure each application on file for children categorized as free or reduced-price is correct.

Response – The Director accidentally used the previous year’s eligibility form for this child. We will make sure we delete any old eligibility forms off our computers to make sure this does not happen again. The owner will go over each application after the Director completes them to assure for accuracy.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #949707
Childcare Discovery Center

Staff

This engagement was performed by:

Pamela J. Bormann, CPA, Deputy
Alexander N. Kawamura, CPA, Manager
Maria R. Collins, Staff Auditor
Therese A. Berning, Staff Auditor

**BUREAU OF NUTRITION AND HEALTH SERVICES
IOWA DEPARTMENT OF EDUCATION
AGREEMENT #319711
COZY CORNER ADULT DAY CARE, LTD
DUBUQUE, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD
OCTOBER 1, 2024 THROUGH AUGUST 31, 2025**



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

October 23, 2025

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the Owner/Administrator of Cozy Corner Adult Day Care, LTD:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education and Cozy Corner Adult Day Care, LTD, for the eleven months ended August 31, 2025. The report also includes certain unaudited information pertaining to meals served and program reimbursements. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the owner and employees of the Cozy Corner Adult Day Care, LTD throughout the agreed-upon procedures engagement. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized and cursive.

Rob Sand
Auditor of State

Table of Contents

	<u>Page</u>
Officials	3
Auditor of State's Independent Report on Applying Agreed-Upon Procedures	4-5
Schedule of Meals Served and Program Reimbursements	6
Detailed Findings and Recommendations	7
Staff	8

**Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #319711
Cozy Corner Adult Day Care, LTD**

Officials

Name

Title

State

Honorable Kim Reynolds
Kraig Paulsen
Tim McDermott
McKenzie Snow
Kala Shipley

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

Child Care Center

Mariko Wilbricht
Robert Wilbrecht

Owner/Administrator
Owner/CEO



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Bureau of Nutrition and Health Services of the Iowa Department of Education
and the Owner/Administrator of Cozy Corner Adult Day Care, LTD:

We performed the procedures below, on Cozy Corner Adult Day Care, LTD's (Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program for the Bureau of Nutrition and Health Services of the Iowa Department of Education, to determine if the program and participation data reported by the Center for reimbursements was accurate and to determine if the Center's internal controls were adequate for program participation, for the period of October 1, 2024 through August 31, 2025. The Center's management, which agreed to the performance of the procedures performed, 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 Iowa Department of Education has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to report, recommendations pertaining to the selected records and related information of the Center including the Center's compliance with the provisions of the Child and Adult Care Food Program. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed are summarized as follows:

1. We visited the Center on October 9, 2025 and obtained an understanding of the Center's internal controls to determine if proper control procedures were in place and were adequate for program participation.
2. We observed all eligibility applications for the Center for the period of October 1, 2024 through August 31, 2025 to determine if they were complete and properly approved.
3. We selected the month of February 2025 to observe the Center's daily meal participation records for accuracy, to observe time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement was properly supported.
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, the existence of adequate documentation for combination foods which contribute to more than one food component and adequate quantities were served for the age and number of participants.
5. We observed daily meal production records to determine whether quantities prepared met meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified various findings and recommendations for the Center. Our findings and recommendations are described in the Detailed Findings and Recommendations section of this report. Unless reported in the Detailed Findings and Recommendations, items of noncompliance were not noted during the performance of the specific procedures listed above.

We were engaged by the Bureau of Nutrition and Health Services of the Iowa Department of Education to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Center's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the eleven months ended August 31, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Bureau and Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 Cozy Corner Adult Day Care, LTD 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 Nutrition and Health Services of the Iowa Department of Education and Cozy Corner Adult Day Care, LTD 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.



Pam Bormann, CPA
Deputy Auditor of State

October 23, 2025

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #319711
Cozy Corner Adult Day Care, LTD

Schedule of Meals Served and Program Reimbursements
(Unaudited)

Eleven months ended August 31, 2025

	No. of Meals Served	Program Reimbursements		
		Breakfast	Lunch	Total
Free meals	21,721	\$ 13,902	75,688	89,590
Reduced-price meals	-	-	-	-
Paid meals	679	69	364	433
	<u>22,400</u>	<u>\$ 13,971</u>	<u>76,052</u>	<u>90,023</u>

See accompanying Auditor of State's independent report on applying agreed-upon procedure.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #319711
Cozy Corner Adult Day Care, LTD

Detailed Findings and Recommendations

To the Bureau of Nutrition and Health Services of the Iowa Department of Education
and the Owner/Administrator of the Cozy Corner Adult Day Care, LTD:

At your request, we made inquiries and observations regarding the Cozy Corner Adult Day Care, LTD's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the period of October 1, 2024 through August 31, 2025. Following are the findings and recommendations we identified as a result of our agreed-upon procedures.

- (A) Segregation of Duties – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the Center's data reported for reimbursement. Generally, one individual is responsible for the approval of disbursements. The monthly claims for reimbursement were 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 initial or signature of the reviewer and the date of the review.

Response – We designate one staff for approval and payments and disbursements and one other staff for independent review of monthly claims. We will document by having the reviewer initial with the date of the review as part of the segregation of duties practice.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #319711
Cozy Corner Adult Day Care, LTD

Staff

This engagement was performed by:

Pamela J. Bormann, CPA, Deputy
Alexander N. Kawamura, CPA, Manager
Maria R. Collins, Staff Auditor
Brianna M. Denton, Staff Auditor

**BUREAU OF NUTRITION AND HEALTH SERVICES
IOWA DEPARTMENT OF EDUCATION
AGREEMENT #770009
JSJ, LLC
DES MOINES, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD
OCTOBER 1, 2024 THROUGH AUGUST 31, 2025**



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

October 16, 2025

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the Director of the JSJ, LLC:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education and JSJ, LLC, for the eleven months ended August 31, 2025. The report also includes certain unaudited information pertaining to meals served and program reimbursements. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the owner and employees of the JSJ, LLC throughout the agreed-upon procedures engagement. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Table of Contents

	<u>Page</u>
Officials	3
Auditor of State's Independent Report on Applying Agreed-Upon Procedures	4-5
Schedule of Meals Served and Program Reimbursements	6
Detailed Findings and Recommendations	7-8
Staff	9

**Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #770009
JSJ, LLC**

Officials

Name

Title

State

Honorable Kim Reynolds	Governor
Kraig Paulsen	Director, Department of Management
Tim McDermott	Director, Legislative Services Agency
McKenzie Snow	Director, Iowa Department of Education
Kala Shipley	Bureau Chief, Bureau of Nutrition and Health Services, Iowa Department of Education

Child Care Center

Jamicha Tracey	Director
Sherry Brannen	Administrative Assistant



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Auditor of State's Independent Report on Applying Agreed-Upon Procedures

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

We performed the procedures below, on JSJ, LLC's (Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program for the Bureau of Nutrition and Health Services of the Iowa Department of Education, to determine if the program and participation data reported by the Center for reimbursements was accurate and to determine if the Center's internal controls were adequate for program participation, for the period of October 1, 2024 through August 31, 2025. The Center's management, which agreed to the performance of the procedures performed, 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 Iowa Department of Education has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to report, recommendations pertaining to the selected records and related information of the Center including the Center's compliance with the provisions of the Child and Adult Care Food Program. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed are summarized as follows:

1. We visited the Center on September 25, 2025 and obtained an understanding of the Center's internal controls to determine if proper control procedures were in place and were adequate for program participation.
2. We observed all eligibility applications for the Center for the period of October 1, 2024 through August 31, 2025 to determine if they were complete and properly approved.
3. We selected the month of February 2025 to observe the Center's daily meal participation records for accuracy, to observe time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement was properly supported.
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, the existence of adequate documentation for combination foods which contribute to more than one food component and adequate quantities were served for the age and number of participants.
5. We observed daily meal production records to determine whether quantities prepared met meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified various findings and recommendations for the Center. Our findings and recommendations are described in the Detailed Findings and Recommendations section of this report. Unless reported in the Detailed Findings and Recommendations, items of noncompliance were not noted during the performance of the specific procedures listed above.

We were engaged by the Bureau of Nutrition and Health Services of the Iowa Department of Education to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Center's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the eleven months ended August 31, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Bureau and Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 JSJ, LLC and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and JSJ, LLC 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.



Pam Bormann, CPA
Deputy Auditor of State

October 16, 2025

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #770009
JSJ, LLC

Schedule of Meals Served and Program Reimbursements
(Unaudited)

Eleven months ended August 31, 2025

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	44,537	\$ 37,007	63,617	19,081	119,705
Reduced-price meals	2,145	1,639	2,516	476	4,631
Paid meals	510	67	123	19	209
	<u>47,192</u>	<u>\$ 38,713</u>	<u>66,256</u>	<u>19,576</u>	<u>124,545</u>

See accompanying Auditor of State's independent report on applying agreed-upon procedure:

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #770009
JSJ, LLC

Detailed Findings and Recommendations

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

At your request, we made inquiries and observations regarding the JSJ, LLC's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the period of October 1, 2024 through August 31, 2025. Following are the findings and recommendations we identified as a result of our agreed-upon procedures.

- (A) Segregation of Duties – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the Center's data reported for reimbursement. The monthly claims for reimbursement are not reviewed by an independent person. All staff members have access to inventory.

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 initial or signature of the reviewer and the date of the review. Access to inventory should be limited to employees who prepare and serve meals to the children.

Response – The teacher will review the monthly claim reimbursement after the Administrative Assistant completes. We will do a self-review in February 2026. We will document any findings and implement corrections.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #770009
JSJ, LLC

Detailed Findings and Recommendations

(B) Participant Eligibility – Eligibility applications for the period of October 1, 2024, through August 2025 were observed 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 dated by the Center.
- Two applications on file were not signed or dated by the Center.
- One application on file did not have a determination identified whether free, reduced-price or paid category at the bottom of the application; however, were properly categorized on the summary of free and reduced-price eligibility worksheet based on other information in the application.

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

Response – I corrected mistakes with all the federal fiscal year 24-25 applications. To ensure we catch any mistakes or missing information, the Director will double-check all applications after the Administrative Assistant determines the eligibility.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #770009
JSJ, LLC

Staff

This engagement was performed by:

Pamela J. Bormann, CPA, Deputy
Alexander N. Kawamura, CPA, Manager
Maria R. Collins, Staff Auditor

**BUREAU OF NUTRITION AND HEALTH SERVICES
IOWA DEPARTMENT OF EDUCATION
AGREEMENT #319712
ROMPER ROOM CHILDCARE CENTER
DUBUQUE, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD
OCTOBER 1, 2024 THROUGH AUGUST 31, 2025**



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

October 23, 2025

Dear Bureau of Nutrition and Health Services of the Iowa Department of Education and the Owner/Director of the Romper Room Childcare Center:

I am pleased to submit to you the agreed-upon procedures report for the Bureau of Nutrition and Health Services of the Iowa Department of Education and Romper Room Childcare Center, for the eleven months ended August 31, 2025. The report also includes certain unaudited information pertaining to meals served and program reimbursements. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the owner and employees of the Romper Room Childcare Center throughout the agreed-upon procedures engagement. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Table of Contents

	<u>Page</u>
Officials	3
Auditor of State's Independent Report on Applying Agreed-Upon Procedures	4-5
Schedule of Meals Served and Program Reimbursements	6
Detailed Finding and Recommendation	7-8
Staff	9

**Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #319712
Romper Room Childcare Center**

Officials

Name

Title

State

Honorable Kim Reynolds
Kraig Paulsen
Tim McDermott
McKenzie Snow
Kala Shipley

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

Child Care Center

Renee Krier

Owner/Director



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

Auditor of State's Independent 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 the Romper Room Childcare Center:

We performed the procedures below, on Romper Room Childcare Center's (Center's) compliance with the requirements and regulations of the Child and Adult Care Food Program for the Bureau of Nutrition and Health Services of the Iowa Department of Education, to determine if the program and participation data reported by the Center for reimbursements was accurate and to determine if the Center's internal controls were adequate for program participation, for the period of October 1, 2024 through August 31, 2025. The Center's management, which agreed to the performance of the procedures performed, 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 Iowa Department of Education has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to report, recommendations pertaining to the selected records and related information of the Center including the Center's compliance with the provisions of the Child and Adult Care Food Program. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed are summarized as follows:

1. We visited the Center on October 10, 2025 and obtained an understanding of the Center's internal controls to determine if proper control procedures were in place and were adequate for program participation.
2. We observed all eligibility applications for the Center for the period of October 1, 2024 through August 31, 2025 to determine if they were complete and properly approved.
3. We selected the month of February 2025 to observe the Center's daily meal participation records for accuracy, to observe time-in and time-out records to verify children were in attendance at the Center when meals were claimed, to determine children were claimed correctly as either free, reduced-price or paid, to determine if at least 25% of the children enrolled and claimed were eligible for free or reduced-price meals or 25% of the Center's license capacity and claimed were eligible for free or reduced-price meals and to determine if the monthly claim for reimbursement was properly supported.
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, the existence of adequate documentation for combination foods which contribute to more than one food component and adequate quantities were served for the age and number of participants.
5. We observed daily meal production records to determine whether quantities prepared met meal pattern requirements based on the month's menu.

Based on the performance of the procedures described above, we identified various findings and recommendations for the Center. Our findings and recommendations are described in the Detailed Findings and Recommendations section of this report. Unless reported in the Detailed Findings and Recommendations, items of noncompliance were not noted during the performance of the specific procedures listed above.

We were engaged by the Bureau of Nutrition and Health Services of the Iowa Department of Education to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Center's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the eleven months ended August 31, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Bureau and Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 Romper Room Childcare Center and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Bureau of Nutrition and Health Services of the Iowa Department of Education and Romper Room Childcare 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.



Pam Bormann, CPA
Deputy Auditor of State

October 23, 2025

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #319712
Romper Room Childcare Center

Schedule of Meals Served and Program Reimbursements
(Unaudited)

Eleven months ended August 31, 2025

	No. of Meals Served	Program Reimbursements			
		Breakfast	Lunch	Snacks	Total
Free meals	29,826	\$ 22,219	44,722	13,599	80,540
Reduced-price meals	2,039	1,240	2,970	497	4,707
Paid meals	8,580	945	2,004	374	3,323
	<u>40,445</u>	<u>\$ 24,404</u>	<u>49,696</u>	<u>14,470</u>	<u>88,570</u>

See accompanying Auditor of State's independent report on applying agreed-upon procedures.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #3197712
Romper Room Childcare Center

Detailed Finding and Recommendations

To the Bureau of Nutrition and Health Services of the Iowa Department of Education
and the Owner/Director of Romper Room Childcare Center.

At your request, we made inquiries and observations regarding the Romper Room Childcare Center's compliance with the requirements and regulations of the Child and Adult Care Food Program, the accuracy of the data reported for reimbursement and the adequacy of internal controls for the period of October 1, 2024 through August 31, 2025. Following is the findings and recommendations we identified as a result of our agreed-upon procedures.

- (A) Segregation of Duties – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the Center's data reported for reimbursement. Generally, one individual is responsible for the preparation approval and disbursement of bills. The monthly claims for reimbursement are 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 initial or signature of the reviewer and the date of the review.

Response – The Kitchen Supervisor will be responsible for preparation of all CACFP paperwork. The owner is responsible for the disbursement of bills. Also, we will be double checking each others work to verify it is correct. All CACFP paperwork will be double checked, initialed and dated prior to submitting to Iowa CNP for reimbursement.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #3197712
Romper Room Childcare Center

Detailed Finding and Recommendations

(B) Participant Eligibility – Eligibility applications for the period of October 1, 2024, through August 31, 2025 were observed to determine if an application was on file for meals/snacks claimed for each child categorized as free or reduced-price and to determine if the application was complete, properly approved, and dated. The following findings were noted:

- Six applications on file did not include the last four digits of the parent/guardian’s social security number nor was the “No Social Security” box checked.
- Two applications on file did not include the parent/guardian’s signature.
- Three of the applications on file were incorrectly categorized. One child was categorized as paid and should have been free on the summary of free and reduced-price eligibility worksheet. One child was categorized as paid and should have been reduced on the summary of free and reduced-price eligibility worksheet. One child was categorized as reduced and should have been free on the summary of free and reduced-price eligibility worksheet.

The underclaimed amount will be calculated by the Center from the date of the application to August 31, 2025 and provided to the Iowa Department of Education, as required.

- Four applications on file did not have a determination identified whether free, reduced-price or paid category at the bottom of the application. Three children were properly categorized on the summary of free and reduced-price eligibility worksheet. One child was categorized as reduced and should have been free on the summary of free and reduced-price eligibility worksheet. One child was categorized as paid and should have been free on the summary of free and reduced-price eligibility worksheet.

The underclaimed amount will be calculated by the Center from the date of the application to August 31, 2025 and provided to the Iowa Department of Education, as required.

- Applications were received for two children, with one child categorized as free and one child categorized as paid. They received meals according to the Center’s meal participation daily log; however, the two children were excluded from the summary of free and reduced-price eligibility worksheet.

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

Response – Last four digits of social security numbers on the eligibility applications will be there. If they are not on the application, it will be considered incomplete and denied and they will be considered paid. We will be double checking parent signatures. We will check over categorized eligibility applications and initial that we verified they are filled out completely and correctly.

Conclusion – Response accepted.

Bureau of Nutrition and Health Services
Iowa Department of Education
Agreement #319712
Romper Room Childcare Center

Staff

This engagement was performed by:

Pamela J. Bormann, CPA, Deputy
Alexander N. Kawamura, CPA, Manager
Maria R Collins, Staff Auditor
Bryce L. Rasmussen, Staff Auditor