



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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August 23, 2023

Board of Directors
Community Coordinated Child Care, Inc.
224 W. Jefferson Blvd., Suite 200
South Bend, IN 46601

We have reviewed the audit report of Community Coordinated Child Care, Inc., which was opined upon by Pettit & Company, LLC, Independent Public Accountants, for the period January 1, 2022 to December 31, 2022. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Community Coordinated Child Care, Inc. as of December 31, 2022, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Pettit & Company, LLC prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner



**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED
AUDITED FINANCIAL STATEMENTS**

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021



**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Community Coordinated Child Care
of St. Joseph County Incorporated
South Bend, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Community Coordinated Child Care of St. Joseph County Incorporated, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Coordinated Child Care of St. Joseph County Incorporated as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Coordinated Child Care of St. Joseph County Incorporated and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Coordinated Child Care of St. Joseph County Incorporated's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Coordinated Child Care of St. Joseph County Incorporated's internal control. Accordingly, no such opinion is expressed. In circumstances in which the auditor also has responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, omit the following: "but not for the purpose of expressing an opinion on the effectiveness of Community Coordinated Child Care, Inc.'s internal control. Accordingly, no such opinion is expressed."
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Coordinated Child Care, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2023 on our consideration of Community Coordinated Child Care of St. Joseph County Incorporated’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Community Coordinated Child Care, Inc.’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Coordinated Child Care of St. Joseph County Incorporated’s internal control over financial reporting and compliance.

Pettit & Company, LLC

Indianapolis, Indiana

July 6, 2023

**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED**

**STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021**

Assets

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 114,740	\$ 128,977
Grants receivable	187,226	144,810
Other receivable	2,373	2,373
Prepaid expenses	2,030	1,966
Total current assets	306,369	278,126
Property and equipment		
Equipment	10,517	10,517
Total property and equipment	10,517	10,517
Accumulated depreciation	(10,517)	(10,517)
Net property and equipment	-	-
Other assets		
Security deposit	1,108	1,108
Total other assets	1,108	1,108
Total assets	\$ 307,477	\$ 279,234

Liabilities and net assets

Current liabilities		
Accounts payable	\$ 169,445	\$ 145,081
Accrued wages payable	2,205	6,539
Total current liabilities	171,650	151,620
Total liabilities	171,650	151,620
Net assets		
Without donor restrictions	135,827	127,614
Total net assets	135,827	127,614
Total liabilities and net assets	\$ 307,477	\$ 279,234

**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED**

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Revenue and support		
Grants - federal	\$ 1,906,031	\$ 2,085,401
Other income	37	38
Total revenue and support	<u>1,906,068</u>	<u>2,085,439</u>
Expenses		
Child care food program	1,801,704	1,989,359
Management and general	96,151	86,862
Total expenses	<u>1,897,855</u>	<u>2,076,221</u>
Change in net assets	<u>8,213</u>	<u>9,218</u>
Net assets - beginning of year	<u>127,614</u>	<u>118,396</u>
Net assets - end of year	<u>\$ 135,827</u>	<u>\$ 127,614</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Program</u>	<u>Management and general</u>	<u>Total</u>
Salaries	\$ 76,342	\$ 29,323	\$ 105,665
Employee benefits	443	-	443
Payroll taxes	6,582	2,683	9,265
Insurance	-	2,258	2,258
Program costs - provider payments	1,718,337	-	1,718,337
Contract services	-	-	-
Rent - office	-	13,296	13,296
Office supplies	-	3,470	3,470
Postage	-	134	134
Telephone	-	4,003	4,003
Utilities	-	13,806	13,806
Meals and entertainment	-	2,759	2,759
Professional fees	-	21,556	21,556
Repairs and maintenance	-	859	859
Other expense	-	2,004	2,004
	<u>\$ 1,801,704</u>	<u>\$ 96,151</u>	<u>\$ 1,897,855</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program</u>	<u>Management and general</u>	<u>Total</u>
Salaries	\$ 74,701	\$ 27,470	\$ 102,171
Employee benefits	452	-	452
Payroll taxes	8,276	1,365	9,641
Insurance	-	-	-
Program costs - provider payments	1,905,930	-	1,905,930
Contract services	-	2,111	2,111
Rent - office	-	13,296	13,296
Office supplies	-	2,755	2,755
Postage	-	283	283
Telephone	-	5,166	5,166
Utilities	-	9,914	9,914
Meals and entertainment	-	819	819
Professional fees	-	21,171	21,171
Repairs and maintenance	-	-	-
Other expense	-	2,512	2,512
	<u>\$ 1,989,359</u>	<u>\$ 86,862</u>	<u>\$ 2,076,221</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ 8,213	\$ 9,218
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Increase) decrease in assets		
Grants receivable	(42,416)	(10,373)
Other receivable	-	(2,373)
Prepaid expenses	(64)	(18)
Increase (decrease) in liabilities		
Accounts payable	24,364	23,210
Accrued wages payable	(4,334)	2,200
	<u>(14,237)</u>	<u>21,864</u>
Net cash provided by (used in) operating activities		
	(14,237)	21,864
Net increase in (decrease in) cash and cash equivalents		
	(14,237)	21,864
Cash and cash equivalents, beginning of year	<u>128,977</u>	<u>107,113</u>
Cash and cash equivalents, end of year	<u>\$ 114,740</u>	<u>\$ 128,977</u>
Supplemental Schedule of Cash Flow Information		
Interest paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COMMUNITY COORDINATED CHILD CARE OF ST. JOSEPH COUNTY INCORPORATED

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

Community Coordinated Child Care of St. Joseph County Incorporated (the “Organization”) was incorporated as a nonprofit organization under the laws of the State of Indiana. The Organization sponsors family day care providers, licensed centers, and registered daycare ministries who desire to participate in the Child and Adult Care Food Program (“CACFP”) of the United States Department of Agriculture. The CACFP is a major federal program as determined under the criteria of Title 2 U.S. Code of Federal Regulations (“CFR”), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. In this capacity, Community Coordinated Child Care of St. Joseph County Incorporated passes federal funds received from the Indiana Department of Education to the family day care providers who have served meals to eligible children.

Basis of accounting

The accompanying financial statements are presented on the accrual basis of accounting.

Basis of presentation

These financial statements have been prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions in conformity with accounting principles generally accepted in the United States of America. This has been done by classification of fund transactions and balances into two categories of net assets:

Net assets without donor restrictions: These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions: These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Cash and cash equivalents

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of two bank accounts.

The Organization maintains its operating cash balances with one financial institution. The balances, at times, may exceed federally insured limits. To date, there have been no losses on such accounts. The Organization may at times maintain cash balances in financial institutions in excess of the federally insured limits of \$250,000. Organization management monitors the financial ratings of such financial institutions and believes the risk of loss is minimal.

COMMUNITY COORDINATED CHILD CARE OF ST. JOSEPH COUNTY INCORPORATED

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of credit risk

The Organization is substantially funded by grants awarded by the Indiana Department of Education (IDOE). The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Management believes that any liability for reimbursements which may arise as a result of these audits would not be material. Should this funding cease, the Organization would not be able to continue operations. As of December 31, 2022 and 2021, \$187,226 and \$144,810, respectively, were due from the IDOE.

Grants receivable

Grants receivable consists of grant revenue expected to be received shortly after year-end. Management considers grants receivable at December 31, 2022 and 2021, to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Property and equipment

Furniture and fixtures are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts will be reduced by the related costs and accumulated depreciation.

The Organization is subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the FASB Accounting Standards Codification (ASC) 360-10. Impairment or Disposal of Long-Lived Assets has no retroactive impact on the Organization's financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. No impairment losses were recognized during either of the years ended December 31, 2022 and 2021.

Revenue and support

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization. Revenue funded by contracts, which represents revenue from exchange transactions, is recognized as the Organization performs the contracted services.

Support funded by grants is recognized when the contributions are made. Grant expenditures are subject to audit and acceptance by the granting agency, and adjustments could be required as a result of such audit.

COMMUNITY COORDINATED CHILD CARE OF ST. JOSEPH COUNTY INCORPORATED

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and revenues (Continued)

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

Restricted support is reported as net assets without donor restrictions when the restriction is met in the same period as the contribution is received.

Retirement plan

The Organization provides a tax-deferred annuity pension plan covering substantially all of our employees. Pension costs are funded in the period that they accrue. There was no pension expense in the year ended December 31, 2022.

Income taxes

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

The Organization has adopted the provisions of the accounting pronouncement related to accounting for uncertainty in income taxes. The Organization recognized no interest or penalties in the statements of activities for both of the years ended December 31, 2022 and 2021. If the situation arose in which the Organization would have interest to recognize it, it would recognize this as interest expense and penalties would be recognized in other expenses. Currently, the prior three years are open under federal and state statutes of limitations and remain subject to review and change. The Organization is not currently under audit nor has the Organization been contacted by these jurisdictions.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for either of the years ended December 31, 2022 and 2021.

Functional expenses

Expenses are reported when incurred. In the statements of functional expenses, costs not specifically related to program services are allocated in accordance with management's estimates of program support requirements. Salaries and related expenses are charged to program services based upon estimated time spent by personnel on the related programs. Direct expenses are charged to the program.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

COMMUNITY COORDINATED CHILD CARE OF ST. JOSEPH COUNTY INCORPORATED

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Management's review of subsequent events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2022, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2022. Management has performed their analysis of subsequent events through July 6, 2023, the date the financial statements were available to be issued.

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLE

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This ASU requires lessees to recognize a lease liability and a right-of-use (ROU) asset on a discounted basis, for substantially all leases, as well as additional disclosures regarding leasing arrangements. Disclosures are required to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842):

Targeted Improvements, which provides an optional transition method of applying the new lease standard. Topic 842 can be applied using either a modified retrospective approach at the beginning of the earliest period presented or, as permitted by ASU 2018-11, at the beginning of the period in which it is adopted, i.e., the comparatives under ASC 840 option.

The Organization adopted Topic 842 on January 1, 2022 (the effective date), using the comparatives under ASC 840 transition method, which applies Topic 842 at the beginning of the period in which it is adopted. Prior period amounts have not been adjusted in connection with the adoption of this standard. The Organization elected the package of practical expedients under the new standard, which permits entities to not reassess lease classification, lease identification or initial direct costs for existing or expired leases prior to the effective date. Also, the Organization elected to keep short-term leases with an initial term of 12 months or less off the statement of financial position. The Organization did not elect the hindsight practical expedient in determining the lease term for existing leases as of January 1, 2022. There was not a significant impact of the adoption, because the Organization's lease did not meet the requirements to be recorded as a ROU asset and operating lease liability.

**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED**

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of December 31, 2022 and 2021. There are no contractual or donor-imposed restrictions and board designation within one year of the date of the statement of financial position.

Financial assets available for general expenditure, which is without donor or other restrictions limiting their use within one year of the statement of financial position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets at year end		
Cash and cash equivalents	\$ 114,740	\$ 128,977
Grants receivable	187,226	144,810
Other receivable	<u>2,373</u>	<u>2,373</u>
Total financial assets	304,339	276,160
Less amounts not available to be used within one year:	-	-
Financial assets not available to be used within one year	<u>-</u>	<u>-</u>
Financial assets available to be used within one year	<u>\$ 304,339</u>	<u>\$ 276,160</u>

NOTE 4 - OPERATING LEASES

The Organization leases its office facility under a lease that expires on December 31, 2021. The lease payments are \$1,108 per month. Total rent expense was \$13,296 for the year ended December 31, 2022. The Organization has not signed a new lease, and they are currently on a month to month basis.

NOTE 5 – RELATED PARTY INFORMATION

The Organization provided \$80,224 and \$30,016 in nutritional assistance for the years ended December 31, 2022 and 2021, to entities controlled or managed by members of our Board of Directors. At December 31, 2022 and 2021, the Organization owed these entities \$2,011 and \$1,842, respectively, which is included in accounts payable in the accompanying statements of financial position.

SINGLE AUDIT SECTION

**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Federal Grantor/Pass-Through <u>Grantor/ Program Title</u>	Federal Assistance Listing <u>Number</u>	Pass- through Grantor's <u>Number</u>	Passed Through to <u>Subrecipients</u>	Federal <u>Expenditures</u>
U.S. Department of Agriculture:				
<i>Passed Through the State of Indiana Department of Education</i>				
Child and Adult Care Food Program	10.558	1710210	\$ <u>1,718,337</u>	\$ <u>1,906,031</u>
Total expenditures of federal awards			\$ <u>1,718,337</u>	\$ <u>1,906,031</u>

**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards includes the federal grant activity of Community Coordinated Child Care of St. Joseph County Incorporated and is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Per the major program requirements, Community Coordinated Child Care of St. Joseph County Incorporated is awarded a 15% administration fee on centers served and a per meal served fee on homes served.

NOTE 3 – INDIRECT COST RATE

Community Coordinated Child Care of St. Joseph County Incorporated has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 – SUB-RECIPIENTS

The Organization provided grants to approximately 145 licensed home day care providers and registered day care ministries for carrying out the federal program.

**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section II Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2021.

Section III Federal Award Findings

There were no federal award findings for the year ended December 31, 2021.



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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Community Coordinated Child Care
of St. Joseph County Incorporated
South Bend, Indiana

We have audited 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, the financial statements of Community Coordinated Child Care of St. Joseph County Incorporated, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated July 6, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Coordinated Child Care of St. Joseph County Incorporated's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Coordinated Child Care of St. Joseph County Incorporated's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Coordinated Child Care of St. Joseph County Incorporated's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Coordinated Child Care of St. Joseph County Incorporated's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pettit & Company, LLC

Indianapolis, Indiana

July 6, 2023



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Community Coordinated Child Care
of St. Joseph County Incorporated
South Bend, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Coordinated Child Care of St. Joseph County Incorporated's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Community Coordinated Child Care of St. Joseph County Incorporated's major federal programs for the year ended December 31, 2022. Community Coordinated Child Care of St. Joseph County Incorporated's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Coordinated Child Care of St. Joseph County Incorporated complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Coordinated Child Care of St. Joseph County Incorporated and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Community Coordinated Child Care of St. Joseph County Incorporated's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Community Coordinated Child Care of St. Joseph County Incorporated's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Coordinated Child Care of St. Joseph County Incorporated's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Community Coordinated Child Care of St. Joseph County Incorporated's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community Coordinated Child Care of St. Joseph County Incorporated's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Community Coordinated Child Care of St. Joseph County Incorporated's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Community Coordinated Child Care of St. Joseph County Incorporated's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Pettit & Company, LLC

Indianapolis, Indiana

July 6, 2023

**COMMUNITY COORDINATED CHILD CARE
OF ST. JOSEPH COUNTY INCORPORATED**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Going concern explanatory paragraph included?	No
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
<i>Significant deficiency(ies) identified that are not considered to be material weaknesses?</i>	None Reported
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of OMB Uniform Guidance?	No

Identification of major programs tested:

<u>Financial Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child Care Food Program

Dollar threshold used to distinguish between Type A and Type B programs \$750,000.

Auditee qualified as low-risk auditee? Yes

Section II Financial Statement Findings

No financial statement findings for the year ended December 31, 2022.

Section III Federal Award Findings

No federal award findings for the year ended December 31, 2022.