



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B49420

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

January 25, 2018

Board of Directors
Child Care Resources, Inc.
2621 Stringtown Road
Evansville, IN 47711

We have reviewed the report prepared by Child Care Resources, Inc. and opined upon by Timothy J. Otte CPA, PC, Independent Public Accountants, for the period July 1, 2015 to June 30, 2016. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Child Care Resources, Inc. as of June 30, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Timothy J. Otte CPA, PC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

Timothy J.  Otte CPA, PC

CHILD CARE RESOURCES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Phone: 812.490.8600 • Fax: 812.490.8601

P.O. Box 308 Newburgh IN. 47629

Member of American Institute of Certified Public Accountants and Indiana CPA Society

Child Care Resources, Inc.

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6-7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Child Care Resources, Inc.
Evansville, IN 47711

We have audited the accompanying statement of financial position of Child Care Resources, Inc. (a nonprofit organization), which comprise the statements of financial as of June 30, 2016 and 2015, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Care Resources, Inc. as of June 30, 2016 and 2015, 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.

Timothy J. O'Neil CPA PC

Evansville, Indiana
December 13, 2016

Child Care Resources, Inc.
Statements of Financial Position
June 30, 2016 and 2015

	2016	2015
ASSETS		
Current Assets		
Cash & Cash Equivalents	\$ 11,229	\$ 8,172
Grant Receivable	<u>67,502</u>	<u>44,310</u>
Total Current Assets	<u>78,731</u>	<u>52,482</u>
Fixed Assets		
Equipment	6,601	6,601
Less Accumulated Depreciation	<u>(6,601)</u>	<u>(6,601)</u>
Total Fixed Assets	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 78,731</u></u>	<u><u>\$ 52,482</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable- Providers	\$ 61,017	\$ 39,315
Line of Credit	5,000	-
Payroll Taxes	<u>1,005</u>	<u>1,009</u>
Total Current Liabilities	<u>67,022</u>	<u>40,324</u>
Net Assets- Unrestricted	<u>11,709</u>	<u>12,158</u>
Total Liabilities and Net Assets	<u><u>\$ 78,731</u></u>	<u><u>\$ 52,482</u></u>

See notes to financial statements

Child Care Resources, Inc.
Statements of Activities
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Governmental Grants	\$ 715,822	\$ 509,580
Other	154	147
Fundraising	<u>1,258</u>	<u>614</u>
Total Revenue	<u>717,233</u>	<u>510,342</u>
EXPENSES		
Provider Reimbursements	<u>641,941</u>	<u>443,369</u>
Total Program Services	<u>641,941</u>	<u>443,369</u>
Fundraising	<u>719</u>	<u>258</u>
General & Administrative Expenses		
Insurance	1,272	1,284
Minute Menu	1,166	1,570
Miscellaneous	1,907	329
Office Expense	1,635	1,744
Payroll Taxes	3,821	3,726
Postage	460	490
Professional Fees	5,000	5,007
Rent	6,000	6,000
Salaries	49,951	48,703
Supplies	1,381	1,328
Telephone	2,341	2,289
Travel	89	452
Total General and Administrative Expenses	<u>75,022</u>	<u>72,921</u>
Total Expenses	<u>717,683</u>	<u>516,548</u>
CHANGE IN UNRESTRICTED NET ASSETS	(449)	(6,206)
UNRESTRICTED NET ASSETS- beginning of year	<u>12,158</u>	<u>18,364</u>
UNRESTRICTED NET ASSETS- end of year	<u>\$ 11,709</u>	<u>\$ 12,158</u>

See notes to financial statements

Child Care Resources, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Change in Net Assets	\$ (449)	\$ (6,206)
Adjustments for Noncash Transactions		
Depreciation	-	-
Changes in Operating Assets and Liabilities		
Accounts Receivable	(23,193)	1,357
Accounts Payable	21,703	(570)
Other Accrued Expenses	(4)	(18)
	<u> </u>	<u> </u>
Net Cash Provided by (used in) Operating Activities	<u>(1,943)</u>	<u>(5,436)</u>
INVESTING ACTIVITIES		
Purchases of Propety and Equipment	-	-
	<u> </u>	<u> </u>
Net Cash Provided by (used in) Investing Activities	<u>-</u>	<u>-</u>
FINANCING ACTIVITIES		
Line of Credit	5,000	-
	<u> </u>	<u> </u>
Net Cash Provided by (used in) Financing Activities	<u>5,000</u>	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,057	(5,436)
CASH AND CASH EQUIVALENTS- beginning of year	<u>8,172</u>	<u>13,609</u>
CASH AND CASH EQUIVALENTS- end of year	<u><u>\$ 11,229</u></u>	<u><u>\$ 8,172</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ -	\$ -

See notes to financial statements

Child Care Resources, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Child Care Resources, Inc. is a nonprofit organization which operates a day care referral service and is a sponsor of the Child and Adult Care Food Program, a government reimbursement program for day care providers.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Financial statement presentation follows the U.S. generally accepted accounting principles promulgated by the FASB *Accounting Standards Codification*. Under those principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2016 and 2015, the Organization had no restricted net assets.

Income Taxes

Child Care Resources, Inc. is a non-profit organization exempt from federal, state, and local income taxes under section 501(c)(3) of the United States Internal Revenue Code. The Organization's Federal Exempt From Income Tax Returns (Form 990) are subject to examination by the IRS, generally for three years after they were filed.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Equipment

Equipment is recorded at cost. Repairs and maintenance costs are charged to expense. The Organization follows the practice of capitalizing all expenditures for fixed assets in excess of \$500. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Depreciated is computed on the straight-line method based on the estimated useful lives of the assets.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Child Care Resources, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

NOTE 2- CONTINGENCY

The Organization is substantially funded by a grant awarded indirectly by the federal government and the State of Indiana. The grant contains provisions which permit the arrangement to be terminated or the funds provided to be reduced if the unit of government does not appropriate any or an adequate amount of funds to maintain the current funding levels. Any deferred revenue or excess funds on hand at the termination date would be subject to refund if such funds exceeded the accrued expenditures allowable under the grants and contracts at that date.

NOTE 3- PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2016 and 2015 consisted of the following:

	<u>2016</u>		<u>2015</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Equipment	\$6,601	\$6,601	\$6,601	\$6,601

Depreciation for the years ending June 30, 2015 and 2014 was \$0 and \$0, respectively.

NOTE 4- LEASE COMMITMENTS

The Organization leases office and storage space under a lease agreement. The lease requires a total monthly payment of \$500 and runs for a term of one year commencing on July 1, 2011. Future required lease payments are as follows:

<u>2015/2016</u>
\$6,000

The total monthly lease payments made during the years ended June 30, 2016 and 2015, were \$6,000 and \$6,000, respectively.

NOTE 5- CONCENTRATIONS

The Organization conducts business from a single location in Evansville, Indiana, and performs services to child day care homes located primarily in Southwestern Indiana.

NOTE 6- LINE OF CREDIT

The Organization currently has a line of credit of \$10,000 with Old National Bank, which was renewed on August 27, 2016 and matures November 27, 2016. Interest is payable monthly at 1.250 percentage points over the prime rate, as defined in the promissory note. At June 30, 2016, the amount outstanding on the line of credit was \$5,000. The line of credit is secured by a security interest in the assets of the Organization.

NOTE 7- SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions through December 13, 2016, the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.