



STATE OF INDIANA
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September 16, 2021

Board of Directors
Community Coordinated Child Care of St. Joseph County, Inc.
224 W. Jefferson Blvd., Suite 102
South Bend, IN 46601

We have reviewed the audit report of Community Coordinated Child Care of St. Joseph County, Inc., which was opined upon by Pettit & Company, LLC, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Community Coordinated Child Care of St. Joseph County, Inc. as of December 31, 2020 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 State Board of Accounts.

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

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



COMMUNITY COORDINATED CHILD CARE, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Single Audit Section)



COMMUNITY COORDINATED CHILD CARE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Community Coordinated Child Care, Inc.
South Bend, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Community Coordinated Child Care, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit 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 Community Coordinated Child Care, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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 August 16, 2021, on our consideration of Community Coordinated Child Care, Inc.'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 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 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, Inc.'s internal control over financial reporting and compliance.

Pettit & Company, LLC

Indianapolis, Indiana

August 16, 2021

COMMUNITY COORDINATED CHILD CARE, INC.

**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020**

Assets

Current assets

Cash and cash equivalents	\$ 108,221
Grants receivable	134,437
Prepaid expenses	1,948

Total current assets 244,606

Total assets \$ 244,606

Liabilities and net assets

Current liabilities

Accounts payable	\$ 121,871
Accrued wages payable	4,339

Total current liabilities 126,210

Total liabilities 126,210

Net assets

Net assets without donor restrictions	118,396
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Total net assets 118,396

Total liabilities and net assets \$ 244,606

COMMUNITY COORDINATED CHILD CARE, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Revenue and other support	
Grant income	\$ 1,534,034
Other income	65
	<hr/>
Total revenue and other support	1,534,099
	<hr/>
Expenses	
Child care food program	1,455,000
Management and general	72,123
	<hr/>
Total cost of operations	1,527,123
	<hr/>
Change in net assets (deficit)	6,976
	<hr/>
Change in net assets	6,976
	<hr/>
Net assets - beginning of year without restrictions	111,420
	<hr/>
Net assets - end of year without restrictions	\$ 118,396
	<hr/>

COMMUNITY COORDINATED CHILD CARE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Child care food program</u>	<u>Total program</u>	<u>Management and general</u>	<u>Total</u>
Salaries	\$ 95,714	\$ 95,714	\$ -	\$ 95,714
Payroll taxes	6,660	6,660	2,683	9,343
Insurance	-	-	2,172	2,172
Program costs - provider payments	1,352,626	1,352,626	-	1,352,626
Rent - office	-	-	13,296	13,296
Office supplies	-	-	2,730	2,730
Postage	-	-	234	234
Telephone	-	-	4,673	4,673
Utilities	-	-	9,579	9,579
Meals and entertainment	-	-	1,086	1,086
Professional fees	-	-	32,633	32,633
Repairs and maintenance	-	-	96	96
Other expense	-	-	2,941	2,941
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	\$ 1,455,000	\$ 1,455,000	\$ 72,123	\$ 1,527,123

COMMUNITY COORDINATED CHILD CARE, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Cash flows from operating activities	
Change in net assets	\$ 6,976
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
(Increase) decrease in assets	
Grants receivable	13,596
Prepaid expenses	(268)
Increase (decrease) in liabilities	
Accounts payable	(10,570)
Accrued wages payable	<u>(27,338)</u>
Net cash provided by (used in) operating activities	<u>(17,604)</u>
Net increase in (decrease in) cash and cash equivalents	(17,604)
Cash and cash equivalents, beginning of year	<u>125,825</u>
Cash and cash equivalents, end of year	<u>\$ 108,221</u>

COMMUNITY COORDINATED CHILD CARE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

Community Coordinated Child Care, Inc. (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, Inc. passes federal funds received from the Indiana Department of Education to the family day care providers who have served meals to eligible children.

Use of estimates in the preparation of financial statements

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, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Basis of preparation of the financial statements

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 follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958. Under ASC 958 and the recently released ASU 2016-14 Presentation of Financial Statement of Not-for-Profit Entities, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- Net assets without donor restrictions – net assets that are not subject to donor- imposed stipulations.
- Net assets with donor restrictions – net assets subject to donor-imposed stipulations that may be met by actions of the Organization and/or the passage of time and net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

There were no net assets with donor restrictions at December 31, 2020.

COMMUNITY COORDINATED CHILD CARE, INC.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the statement of cash flows, all unrestricted investment instruments with original maturities of three months or less are cash equivalents.

At various times throughout the year, the Organization may have cash in financial institutions in excess of insured limits. The Federal Deposit Insurance Corporation (FDIC) insures cash balances up to \$250,000 for each business depositor. At December 31, 2020, the Organization had no cash in financial institutions in excess of insured limits.

Grants receivable

Grants receivable are stated at their contractual outstanding balances, net of any allowance for doubtful accounts. Grants are considered past due if any portion of a grant has not been paid in full within the contractual terms of the account. The Organization begins to assess its ability to collect receivables that are over 90 days past due and provides for an adequate allowance for doubtful accounts based on the Organization's collection history, the financial stability and recent payment history of the grantor, and other pertinent factors. Based on these criteria, no allowance for doubtful accounts has been provided at December 31, 2020 since the Organization expects no material losses.

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 the year ended December 31, 2020.

Grant income

The Organization receives grants under cost-reimbursable contracts which are recognized as revenue when allowable expenditures are incurred. Amounts received in advance of incurring allowable costs are reported as refundable grant advances in the statements of financial position.

COMMUNITY COORDINATED CHILD CARE, INC.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Occupancy expenses are allocated based upon actual utilization of space.

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, 2020.

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 the year ended December 31, 2020. 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 the year ended December 31, 2020.

Management's review of subsequent events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2020, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2020. Management has performed their analysis of subsequent events through August 16, 2021, the date the financial statements were available to be issued.

COMMUNITY COORDINATED CHILD CARE, INC.

NOTE 2 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and corresponding lease liability on the statement of financial position at the date of the lease commencement. Leases will be classified as either finance or operating, and this distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the entity for the year ending December 31, 2022. The Organization is currently in the process of evaluating the effect of adoption of this ASU on its financial statements.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2020. 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:

Cash and cash equivalents	\$ 108,221
Grants receivable	<u>134,437</u>
Total financial assets unrestricted	<u>\$ 242,658</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, 2020.

NOTE 5 – RELATED PARTY INFORMATION

The Organization provided \$23,739 in nutritional assistance for the year ended December 31, 2020, to entities controlled or managed by members of our Board of Directors. At December 31, 2020, the Organization owed these entities \$1,797, which is included in accounts payable in the accompanying statements of financial position.

NOTE 6 - ECONOMIC DEPENDENCY AND CONCENTRATION OF RISK

Community Coordinated Child Care, Inc. receives 100% of its revenue from the Indiana Department of Education (IDOE). The IDOE receives funding from the U.S. Department of Agriculture (USDA). Should this funding cease, the Organization would not be able to continue operations. The Organization only operates in the state of Indiana. As of December 31, 2020, \$134,437 was due from the IDOE.

COMMUNITY COORDINATED CHILD CARE, INC.

NOTE 7 – COVID-19 PANDEMIC

During fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its fiscal year 2020 and 2021 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of health care personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2020.

SINGLE AUDIT SECTION

COMMUNITY COORDINATED CHILD CARE, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass-Through <u>Grantor/ Program Title</u>	Federal CFDA <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>\$ 1,352,626</u>	<u>\$ 1,534,034</u>
Total Expenditures of Federal Awards			<u>\$ 1,352,626</u>	<u>\$ 1,534,034</u>

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards includes the federal grant activity of Community Coordinated Child Care, Inc. 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, Inc.'s 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, Inc. has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – SUB-RECIPIENTS

The Organization provided grants to approximately 141 licensed home day care providers and registered day care centers for carrying out the federal program.

COMMUNITY COORDINATED CHILD CARE, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2019.

Section III Federal Award Findings

Statement of condition: The Organization carried-over administrative funds at the end of the September 30, 2019 grant period in excess of the amount allowable under the grant. They did not accurately calculate the amount that should have been returned to the State.

Status: Cleared.



**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, Inc.
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, Inc., which comprise the statement of financial position as of December 31, 2020, 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 August 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Coordinated Child Care, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit 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, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Coordinated Child Care, Inc.'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, Inc.'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
August 16, 2021



**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, Inc.
Indiana,

Report on Compliance for Each Major Federal Program

We have audited Community Coordinated Child Care, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Coordinated Child Care, Inc.'s major federal programs for the year ended December 31, 2020. Community Coordinated Child Care, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Coordinated Child Care, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Coordinated Child Care, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Coordinated Child Care, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Community Coordinated Child Care, Inc. complied, in all material respects, with the types of 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, 2020.

Report on Internal Control over Compliance

Management of Community Coordinated Child Care, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Coordinated Child Care, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Coordinated Child Care, Inc.'s 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
August 16, 2021

COMMUNITY COORDINATED CHILD CARE, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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>CFDA 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, 2020.

Section III Federal Award Findings

No federal award findings for the year ended December 31, 2020.