

**Community Coordinated
Care for Children, Inc. and
The 4C Foundation, Inc.**

**Combined Financial
Statements
and Supplemental
Information**

**Year Ended
December 31, 2021**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Community Coordinated Care for Children, Inc.
and The 4C Foundation, Inc.
Orlando, Florida

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. (collectively the "Organization") (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2021, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. as of December 31, 2021, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. 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 opinions.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.'s ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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 combined financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 combined 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 combined 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 Care for Children, Inc. and The 4C Foundation, 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Coordinated Care for Children, Inc. and The 4C Foundation, 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 audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combined schedule of Head Start Expenses, combined schedule of Early Head Start Expenses, combined schedule of Early Head Start Child Care Partnership Expenses, and combined schedule of Early Head Start Expansion Expenses are presented for purposes of additional analysis and are not a required part of the combined financial statements. The accompanying 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*, and State of Florida Chapter 10.650, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and

Supplementary Information (continued)

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 combined 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 June 8, 2022, on our consideration of Community Coordinated Care for Children, Inc. and The 4C Foundation, 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 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 Care for Children, Inc. and The 4C Foundation, 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 Care for Children, Inc. and The 4C Foundation, Inc.'s internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
June 8, 2022

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

COMBINED STATEMENT OF FINANCIAL POSITION

December 31, 2021

ASSETS

Assets	
Cash and cash equivalents	\$ 3,786,340
Receivables	10,938,389
Due from early learning providers	747,218
Due from Early Learning Coalition of Osceola County	13,240
Unconditional promise to give	115,000
Prepaid expenses and other assets	1,430,534
Cash designated for capital expenditures	114,000
Property and equipment, net	1,062,051
Investments	1,305,688
Beneficial interest in assets held by others	172,040
Assets held in trust for the deferred compensation plan	<u>231,381</u>
Total assets	<u><u>\$ 19,915,881</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	\$ 3,385,297
Due to early learning providers	6,245,893
Due to Early Learning Coalition of Orange County	641,415
Refundable advances	2,769,202
Deferred compensation payable	<u>231,381</u>
Total liabilities	<u>13,273,188</u>
Commitments and contingencies (Notes J and K)	<u>-</u>
Net assets	
Without donor restrictions	
Undesignated	5,179,602
Net investment in property and equipment	1,062,051
Designated for capital expenditures	<u>114,000</u>
Total net assets without donor restrictions	6,355,653
With donor restrictions	<u>287,040</u>
Total net assets	<u>6,642,693</u>
Total liabilities and net assets	<u><u>\$ 19,915,881</u></u>

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

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Early Learning Coalition of Orange County	\$ 97,650,320	\$ -	\$ 97,650,320
Early Learning Coalition of Osceola County	21,903,737	-	21,903,737
U.S. Department of Health and Human Services	14,494,678	-	14,494,678
State of Florida Department of Health - Food Program	5,846,591	-	5,846,591
Orange County Citizens' Commission for Children	2,427,318	-	2,427,318
Other support and revenues, and contributions	2,318,496	-	2,318,496
Heart of Florida United Way, Inc.	73,275	115,000	188,275
City of Orlando	345,000	-	345,000
Orange County Commission	400,692	-	400,692
Catholic Charities of Central Florida, Inc.	48,291	-	48,291
Orange County Citizens' Review Panel	137,164	-	137,164
City of Orlando - Parramore project	103,923	-	103,923
State of Florida Department of Children and Families	349,851	-	349,851
Paycheck Protection Program loan revenue	105,171	-	105,171
In-kind contributions - Head Start and Early Head Start	44,186	-	44,186
Investment income (loss)	(12,691)	15,833	3,142
Net assets released from restrictions	115,000	(115,000)	-
	<hr/>	<hr/>	<hr/>
Total revenues and support	146,351,002	15,833	146,366,835
EXPENSES			
Program services			
Early Care and Learning (School Readiness)	88,791,858	-	88,791,858
Voluntary Pre-K	33,087,821	-	33,087,821
Food Program	5,773,442	-	5,773,442
Head Start	4,194,885	-	4,194,885
Early Head Start	3,730,594	-	3,730,594
Early Head Start Child Care Partnership	4,426,826	-	4,426,826
Early Head Start Expansion	2,552,079	-	2,552,079
Other program services	2,039,490	-	2,039,490
	<hr/>	<hr/>	<hr/>
Total program services	144,596,995	-	144,596,995
Support services			
Management and general	1,577,386	-	1,577,386
	<hr/>	<hr/>	<hr/>
Total supporting services	1,577,386	-	1,577,386
	<hr/>	<hr/>	<hr/>
Total expenses	146,174,381	-	146,174,381
Change in net assets	176,621	15,833	192,454
NET ASSETS AT BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>
	6,179,032	271,207	6,450,239
NET ASSETS AT END OF YEAR	<hr/>	<hr/>	<hr/>
	\$ 6,355,653	\$ 287,040	\$ 6,642,693

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

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	Program Services										
	Early Care and Learning (School Readiness)	Voluntary Pre-K	Food Program	Head Start	Early Head Start	Early Head Start Child Care Partnership	Early Head Start Expansion	Other Program Services	Total Program Services	Management and General	Total Functional Expenses
Salaries	\$ 3,258,666	\$ 498,986	\$ 338,010	\$ 1,971,667	\$ 1,454,769	\$ 809,732	\$ 1,509,355	\$ 1,230,552	\$ 11,071,737	\$ 903,599	\$ 11,975,336
Payroll taxes and employee benefits	783,293	120,451	80,945	485,975	364,305	210,719	372,923	298,391	2,717,002	208,662	2,925,664
Total salaries and related expenses	4,041,959	619,437	418,955	2,457,642	1,819,074	1,020,451	1,882,278	1,528,943	13,788,739	1,112,261	14,901,000
Child care education services and meals	84,026,125	32,367,797	5,244,365	-	-	-	-	58,676	121,696,963	49	121,697,012
First responders CARES	93,500	-	-	-	-	-	-	-	93,500	-	93,500
Educational training services and contractual	-	-	-	660,677	1,334,226	3,014,363	601	27,755	5,037,622	9,518	5,047,140
Rent	41,763	12,107	2,199	283,472	140,465	46,853	248,632	161,833	937,324	4,592	941,916
Telephone and utilities	161,609	31,708	15,264	154,031	46,566	33,462	54,245	61,562	558,447	43,422	601,869
Repairs and maintenance	51,831	9,904	6,643	182,051	41,526	15,978	40,399	31,975	380,307	19,754	400,061
Office expense	96,379	5,995	6,693	41,210	19,615	11,156	24,086	54,755	259,889	26,567	286,456
Food and classroom supplies	-	-	-	114,277	38,123	13,087	84,724	-	250,211	-	250,211
Professional services	-	-	-	6,506	3,939	30,719	3,240	-	44,404	71,455	115,859
Noncapital equipment costs	58,002	9,098	7,475	3,116	378	600	11,462	1,749	91,880	19,784	111,664
Temporary services	54,403	22,293	-	8,640	6,787	20,937	14,373	57,369	184,802	38,470	223,272
Insurance	15,155	2,283	1,171	8,945	7,444	8,436	6,081	1,084	50,599	96,497	147,096
Training and technical assistance	-	-	-	62,839	56,235	119,576	26,485	-	265,135	-	265,135
Meetings and conferences	17	1	577	-	-	-	-	7,761	8,356	1,565	9,921
Computer support	9,371	1,331	65,851	24,302	14,345	13,750	10,150	3,307	142,407	60,002	202,409
In-kind expenses	-	-	-	15,245	6,146	3,487	19,308	-	44,186	-	44,186
Depreciation	14,121	3,085	922	833	732	1,013	394	1,277	22,377	21,335	43,712
Travel	1,271	120	-	8,075	6,978	3,364	1,559	2,616	23,983	442	24,425
Equipment rental	7,324	2,585	3,027	3,963	1,728	1,102	1,406	12,551	33,686	2,917	36,603
Miscellaneous	117,794	39	-	48	12	17	6	3,008	120,924	34,215	155,139
Program expense	-	-	-	144,549	175,210	62,423	118,692	22,154	523,028	-	523,028
Dues and publications	-	-	300	4,553	2,567	2,432	1,769	-	11,621	11,962	23,583
Directory/advertising	35	5	-	761	4,865	419	387	998	7,470	2,468	9,938
Vehicle expense	234	33	-	9,150	3,633	3,201	1,802	18	18,071	111	18,182
Educational materials	965	-	-	-	-	-	-	99	1,064	-	1,064
Total expenses	\$ 88,791,858	\$ 33,087,821	\$ 5,773,442	\$ 4,194,885	\$ 3,730,594	\$ 4,426,826	\$ 2,552,079	\$ 2,039,490	\$ 144,596,995	\$ 1,577,386	\$ 146,174,381

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

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

COMBINED STATEMENT OF CASH FLOWS

Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 192,454
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	43,712
Net realized and unrealized gain	(77,013)
Forgiveness of Paycheck Protection Program loan	(105,171)
Decrease (increase) in assets:	
Receivables	(140,370)
Prepaid expenses and other assets	(219,349)
Due from early learning providers	2,707,894
Due from Early Learning Coalition of Osceola County	(13,240)
Assets held in trust for the deferred compensation plan	(29,590)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	840,236
Due to early learning providers	66,261
Due to Early Learning Coalition of Orange County	(2,263,870)
Due to Early Learning Coalition of Osceola County	(399,281)
Refundable advances	1,095,992
Deferred compensation payable	29,590
Net cash provided by operating activities	<u>1,728,255</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	<u>(57,923)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES

Change in beneficial interest in asset held by others	15,833
Proceeds from Paycheck Protection Program loan	<u>350,000</u>
Net cash provided by financing activities	<u>365,833</u>

Net increase in cash, cash equivalents and restricted cash	2,036,165
Cash, cash equivalents and restricted cash at beginning of year	<u>1,864,175</u>
Cash, cash equivalents and restricted cash at end of year	<u><u>\$ 3,900,340</u></u>

RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH BALANCES

Cash and cash equivalents	\$ 3,786,340
Cash designated for capital expenditures	<u>114,000</u>
	<u><u>\$ 3,900,340</u></u>

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

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE A – NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization and nature of activities

Community Coordinated Care for Children, Inc. (“4C”) is a not-for-profit corporation operating in Central Florida as a coordinative agency for child care activities and other support services for families with young children.

4C's major program services are as follows:

Early Care and Learning (School Readiness): 4C contracts with local Early Care and Learning Coalitions, local governments, and not-for-profit organizations to provide income eligible families child care financial assistance and other related activities. Local government contracts, United Way allocations, private foundations and other local funders are used to meet match requirements for certain contracts.

Voluntary Pre-K: 4C participates in a Florida Department of Education program designed to prepare four year olds for kindergarten and build the foundation for their educational success. The program allows a parent to enroll his or her eligible child in a free voluntary pre-kindergarten program. 4C currently contracts with local coalitions to provide such services.

Food Program: Accounts for resources received from the State of Florida Department of Health to subsidize meal costs for eligible children under the National School Lunch and the Child Nutrition Acts.

Head Start: Head Start is a federal program that promotes the school readiness of children ages three to five, enhancing their cognitive, physical, social, and emotional development. The learning environment supports children's growth in these areas, and emphasizes the role of parents as their child's first teacher. The program also helps build relationships with families in support of their well-being and achieving family goals.

Early Head Start: Early Head Start programs provide services to infants, toddlers, pregnant women, and their families through a variety of service models, depending on the needs of the local community. 4C operates Early Head Start sites and also works with child care centers. Some programs offer home-based services that assign dedicated staff who conduct weekly visits to children in their own home and work with the parent as the child's primary teacher.

Early Head Start Child Care Partnership: The EHS-CCP program brings together the strengths of child care and Early Head Start programs through partnerships between 4C and local child care providers. These child care providers have experience providing care that is strongly grounded in the cultural, linguistic, and social needs of the families and their local communities.

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE A – NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Organization and nature of activities (continued)

Early Head Start Expansion: The Early Head Start Expansion program provides services to children and pregnant women by providing additional funding to operations and training and technical assistance for the Early Head Start Programs.

Other Program Services: Consists primarily of four programs: 1) Early Childhood Education Training Programs - accounts for resources received from the State of Florida Department of Children and Families for state mandated training services and resources for other training programs, 2) Other Child Care - accounts for resources received from the Catholic Charities of Central Florida, Inc. for refugee child care and other contracts for child care services, 3) Community Services - accounts for various community services and other family related programs, and 4) Orange County Citizens' Commission for Children - funds family support resources of thirteen neighborhood centers.

The 4C Foundation, Inc. (Foundation) is a separate not-for-profit corporation that was formed for the purpose of acquiring property and leasing to, and fund-raising for 4C.

2. Principles of combination

The accompanying financial statements include the accounts of 4C and the Foundation (collectively, the Organization) on a combined basis. All significant intercompany accounts and transactions have been eliminated in the preparation of the combined financial statements. At December 31, 2021, total net assets of 4C and the Foundation were \$4,553,824 and \$2,088,869, respectively.

3. Basis of accounting and financial statement presentation

The accompanying financial statements and accompanying schedules have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board has designated a portion of net assets without donor restrictions as set aside for capital expenditures for the purpose of securing the Organization's long-term financial viability.

See Note L for more information on the composition of net assets without donor restrictions.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE A – NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Basis of accounting and financial statement presentation (continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

See Note M for more information on the composition of net assets with donor restrictions.

4. 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 support and revenues, and expenses during the reporting period. Actual results could differ from those estimates.

5. Cash and cash equivalents

For purposes of the combined statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity date of three months or less to be cash equivalents. Cash excludes cash designated for capital expenditures.

6. Receivables

Receivables primarily consist of grant and contract receivables from federal, state and local governmental agencies, and not-for-profit organizations, and are stated at estimated net realizable value. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based upon management estimates of current economic factors and analysis of specific accounts. In the opinion of management, no allowance for uncollectible accounts was considered necessary at December 31, 2021.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE A – NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Property and equipment

Property and equipment are recorded at cost when purchased or at fair value at the date of gift, if contributed. Depreciation of property and equipment is computed using the straight-line method of accounting over the estimated useful lives of the depreciable assets. Routine maintenance and repair costs are charged to expense as incurred, while major replacements and improvements are capitalized as additions to the related assets.

When assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and gains or losses from dispositions are credited or charged to income.

The Foundation capitalized a donated art collection which is stated at the estimated fair value of the collection at the time of the donation. The Foundation has no purchased collectibles.

8. Impairment of long-lived assets

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate such value may not be recoverable. Recoverability of assets or asset groups to be held and used is measured by a comparison of the carrying amount of an asset or asset group to future net cash flows expected to be generated by the asset or asset group. If such assets or asset groups are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets or asset group. Assets or asset groups to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. No impairment of the Organization's long-lived assets or asset groups have been recognized during the year ended December 31, 2021.

9. Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the Combined Statement of Financial Position. Unrealized gains and losses are included in the Combined Statement of Activities and Changes in Net Assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE A – NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10. Assets held in trust for the deferred compensation plan

Assets held in trust for the deferred compensation plan are investments and are reported at fair value (see Note D). These investments represent contributions to a 457(b) plan for the benefit of "key employees." See Note I for additional information about the terms of this plan.

11. Revenue recognition

The Organization follows Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied, and ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958-605), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

The Organization is principally funded by grants and contracts from federal, state and local governmental agencies, and not-for-profit organizations. Grants and contracts generally provide reimbursement for allowable costs incurred. Revenue from cost reimbursement grants and contracts is recognized as eligible costs are incurred.

Receivables are recorded to the extent costs have been incurred but not reimbursed by the granting agencies. Conversely, refundable advances are recorded when grant and contract advances exceed eligible costs incurred. Refundable advances will either be offset against subsequent allowable costs incurred or refunded to the granting agencies upon grant termination.

Contributions, including unconditional promises to give, are recognized as support and revenue in the period received at fair value as without donor restrictions or with donor restricted support depending on the existence or nature of any donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE A – NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Revenue recognition (continued)

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible unconditional promises to give receivables. The allowance is based upon management estimates of current economic factors and analysis of specific unconditional promises to give. In the opinion of management, no allowance for uncollectible accounts was considered necessary at December 31, 2021.

Contributed services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution.

The estimated fair value of contributed materials, facilities, services and other program services are necessary to support the Head Start and Early Head Start program. These contributions are reflected as support and expenses in the accompanying combined statement of activities and combined statement of functional expenses in the period in which the materials, facilities, services and other program services are utilized. Contributed materials, facilities, services and other program services consist of the following:

	<u>Head Start</u>	<u>Early Head Start</u>	<u>Early Head Start CCP</u>	<u>Early Head Start EXP</u>	<u>Total</u>
Program Services	<u>\$ 15,244</u>	<u>\$ 6,147</u>	<u>\$ 3,488</u>	<u>\$ 19,307</u>	<u>\$ 44,186</u>

The adoption of ASC 606 and ASC 958 had no significant impact on the Organization's financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE A – NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12. Functional allocation of expenses

The cost of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

13. Income taxes

4C and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying combined financial statements.

The Organization follows accounting standards relating to accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying combined financial statements. The Organization files income tax returns in the U.S. federal jurisdiction. Generally, the Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before December 31, 2018.

14. Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, cash designated for capital expenditures, and various unsecured receivables. The Organization placed its cash and cash designated for capital expenditures with federally insured financial institutions and limits its exposure to any potential loss in excess of federally insured limits; however, at times, the Organization is exposed to loss to the extent that these balances exceed the federally insured limits.

Concentrations of credit risk with respect to unsecured receivables are limited as the receivables are primarily grant and contract receivables from governmental agencies; other receivables are primarily due from entities located in Central Florida. The Early Learning Coalition of Orange County, Early Learning Coalition of Osceola County and the State of Florida Department of Health accounts for 48%, 11% and 9%, respectively, of total receivables at December 31, 2021.

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE A – NATURE OF ORGANIZATION, PRINCIPLES OF COMBINATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

15. Recent accounting pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The new guidance is effective for fiscal years beginning after December 15, 2021. The Organization is evaluating the potential effects ASU 2016-02 will have on its financial statements.

16. Statement of cash flows

Cash, cash equivalents, and restricted cash in the statement of cash flows includes cash and cash equivalents, and cash designated for capital expenditures.

17. Subsequent events

Management has assessed subsequent events through June 8, 2022, which is the date these combined financial statements were available to be issued.

NOTE B – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2021, consisted of the following:

Land	\$ 720,000
Buildings and improvements	1,838,715
Equipment, vehicles and other	1,079,355
Donated art collection	<u>178,055</u>
	3,816,125
Less accumulated depreciation	<u>2,754,074</u>
	<u>\$ 1,062,051</u>

During the year ended December 31, 2021, depreciation expense was \$43,712.

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE C – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization has a beneficial interest in assets held by the Community Foundation of Central Florida, Inc. (the Community Foundation) in a permanent Agency Endowment Fund known as the "Caring for Kids Fund." The Community Foundation was granted no variance power to redirect the use of the assets to another beneficiary. On an annual basis, the Community Foundation distributes a percentage of the principal balance from this fund to the Organization as determined by the Community Foundation's spending policy. As of December 31, 2021, the endowment fund has a fair value of \$172,040, which is included in the accompanying combined statement of financial position as beneficial interest in assets held by others.

NOTE D – FAIR VALUE MEASUREMENTS

The Organization follows accounting standards relating to fair value measurements which defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America, and expand disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standards relating to fair value measurement establish a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

Level inputs, as defined by this guidance, are as follows:

- | | |
|---------|--|
| Level 1 | Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date. |
| Level 2 | Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date. |
| Level 3 | Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. |

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE D – FAIR VALUE MEASUREMENTS (continued)

The following table summarizes fair value measurements by level at December 31, 2021, for financial assets measured at fair value on a recurring basis:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Assets				
Assets held in trust for the deferred compensation plan (investments):				
Pooled separate accounts with Principal Life Insurance Co.	\$ -	\$ 231,381	\$ -	\$ 231,381
Mutual funds	1,305,688	-	-	1,305,688
Beneficial interest in assets held by others	-	-	172,040	172,040
	<u>\$ 1,305,688</u>	<u>\$ 231,381</u>	<u>\$ 172,040</u>	<u>\$ 1,709,109</u>

The fair value of the Organization's beneficial interest in assets held by others is determined based on the Organization's allocated share of the Community Foundation's investment pool. Information is provided to the Organization by Community Foundation management in the form of an annual investment report and through the Community Foundation's annual audit.

The pooled separate accounts with Principle Life Insurance Co. are valued using the fair market value of the underlying assets.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE D – FAIR VALUE MEASUREMENTS (continued)

The table below sets forth a summary of the changes in the fair value of the Organization's Level 3 financial assets during the year ended December 31, 2021:

	<u>Beneficial Interest in Assets Held by Others</u>
Balance, beginning of year	\$ 156,207
Net realized and unrealized gain (loss)	20,265
Interest and dividend income	2,931
Investment manager and administrative fees, and distributions	<u>(7,363)</u>
Balance, end of year	<u>\$ 172,040</u>

The Organization's investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment account balance.

NOTE E – INVESTMENTS

The fair value of the investments is reflected in the Combined Statement of Net Position at December 31, 2021. A summary of investments at December 31, 2021, is as follows:

	<u>Original Cost</u>	<u>Level I Fair Value</u>	<u>Unrealized Gain</u>
Mutual Funds	<u>\$ 1,006,766</u>	<u>\$ 1,305,688</u>	<u>\$ 298,922</u>

Investment income is reported in the Combined Statement of Activities and Changes in Net Assets for the year ended December 31, 2021 and is summarized as follows:

Interest and dividends	\$ 30,922
Change in beneficial interest in assets held by others	15,833
Change in unrealized gain	<u>(43,613)</u>
	<u>\$ 3,142</u>

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE F – RECONCILIATION OF CHANGES IN NET ASSETS TO NET OPERATING INCOME (LOSS) (NON-GAAP)

The following table presents a reconciliation of the change in net assets to the Organization's internal net operating income (loss) for the year ending December 31, 2021:

Change in net assets	\$	192,454
Plus: depreciation		43,712
Plus: unrealized loss on investments 2021		<u>43,613</u>
Adjusted net operating income	\$	<u>279,779</u>

NOTE G – LINE OF CREDIT

The Organization entered into a \$2,000,000 line of credit agreement with a bank. The line of credit bears interest at a variable rate based on the Wall Street Journal Prime rate plus 1.00% with a minimum of 4.50%, and is collateralized by certain receivables. The line of credit requires monthly interest only payments and matures on demand. All advances on the line of credit are required to be repaid within six months of the advance.

NOTE H – RETIREMENT PLAN

All employees are eligible to participate in a defined contribution 401(k) plan (the "401(k) Plan") upon completion of 12 consecutive months of the required service and attainment of age 21. The annual contribution to the 401(k) Plan is determined on an annual basis by the Board of Directors (5% of eligible compensation for 2021) plus a match provision of 25% of voluntary contributions by the eligible employee up to a maximum of 1% of eligible compensation. Accordingly, the Organization's maximum contribution is 6% of eligible compensation up to the federal limit according to the Internal Revenue Code. Contributions to the 401(k) Plan for the year ended December 31, 2021, were \$563,381 and are included in payroll taxes and employee benefits in the accompanying combined statement of functional expenses.

NOTE I – DEFERRED COMPENSATION PLAN

The Organization has established a deferred compensation plan (the "Plan") for the benefit of "key employees", which provide that a certain percentage of the key employee's salary be accrued for the benefit of the participant. The Organization recognizes the related expense and liability under this Plan as benefits become vested. At December 31, 2021, the amounts due under the deferred compensation plan which totaled \$231,381, were accrued and included in deferred compensation payable and the related investments are included in assets held in trust for the deferred compensation plan in the accompanying combined statement of financial position. Contributions to the Plan for the year ended December 31, 2022, was \$5,409 and are included in payroll taxes and employee benefits in the accompanying combined statement of functional expenses.

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE J – CONTINGENCIES

By terms of the Organization's grants and contracts, certain funding agencies reserve the right to examine records relating to cost reimbursements. In the event there is a determination of non-qualifying expenditures for which a reimbursement has been made, the funding agency may demand a refund. Management of the Organization does not anticipate any material refunds will have to be made for grants or contracts terminated or in process as of December 31, 2021.

The Organization has Non Federal Share waivers for Head Start, Early Head Start and Early Head Start Child Care Partnership that are awaiting final approval and release as of December 31, 2021. Delays in getting Non Federal Share waivers approved by the Head Start central office is occurring nationwide. Management of the Organization is confident that they will be approved. Accordingly, no provision for liability has been made in the accompanying combined financial statements.

NOTE K – COMMITMENTS

The Organization leases facilities and equipment under various operating lease agreements. These lease agreements are generally on a year-to-year basis with options to renew. Rent expense was \$978,521 for the year ended December 31, 2021.

Future minimum lease payments under noncancelable operating leases as of December 31, 2021, are as follows:

Years Ending December 31,	
2022	\$ 655,960
2023	424,818
2024	376,154
2025	319,008
2026	<u>328,037</u>
	<u>\$ 2,103,977</u>

NOTE L – NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's net assets without donor restrictions are comprised of undesignated and Board designated amounts for the following purposes as follows:

Undesignated	\$ 5,179,602
Net investment in property and equipment	1,062,051
Board designated for capital expenditures	<u>114,000</u>
Total net assets without donor restrictions	<u>\$ 6,355,653</u>

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE L – NET ASSETS WITHOUT DONOR RESTRICTIONS (continued)

Board designated for capital expenditures

The Board has designated funds to be set aside for capital expenditures for the purpose of the Organization's mission for child care activities and other support services for families with young children. The amount set for the year is \$114,000 and no additional amounts were set aside during 2021.

The Organization has funds set aside related to the acquisition of capital assets in prior years which help Organization's mission for child care activities and other support services for families with young children.

NOTE M – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as follows:

Subject to expenditure for specified purpose:	
School Readiness Program	\$ 115,000
Endowments subject to the Organization's spending policy and appropriation:	
Investment in perpetuity, which once appropriated, is expendable to support:	
Any activities of the Organization	<u>172,040</u>
Total net assets with donor restrictions	<u>\$ 287,040</u>

NOTE N – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions are as follows:

Purpose restrictions accomplished:	
School Readiness Program	<u>\$ 115,000</u>
Net assets released from restrictions	<u>\$ 115,000</u>

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE O – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization’s financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 3,786,340
Cash designated for capital expenditures	114,000
Short-term investments	1,305,688
Receivables	10,938,389
Due from early learning providers	747,218
Due from Early Learning Coalition of Osceola County	13,240
Unconditional promise to give	<u>115,000</u>
Total financial assets available within one year	17,019,875
Less:	
Liabilities	
Accounts payable and accrued expenses	3,385,297
Due to early learning providers	6,245,893
Due to Early Learning Coalition of Orange County	641,415
Refundable advances	2,769,202
Deferred compensation payable	<u>231,381</u>
Total financial liabilities available within one year	<u>13,273,188</u>
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>287,040</u>
Total amounts unavailable for general expenditures within one year	<u>287,040</u>
Amounts unavailable to management without Board's approval:	
Board designated for capital expenditures	<u>114,000</u>
Total amounts unavailable to management without Board's approval	<u>114,000</u>
Total financial assets available within one year after board designations and restricted by donors	<u><u>\$ 3,345,647</u></u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$2,000,000, which it could draw upon. Additionally, the Organization has Board Designated net assets without donor restrictions that, while the Organization does not intend to spend for these purposes other than those identified, the amounts could be made available for current operations, if necessary.

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2021

NOTE P – PAYCHECK PROTECTION PROGRAM LOAN

On March 27, 2020, the Coronavirus Aid Relief, and Economic Security Act (“CARES Act”) was enacted in response to the COVID-19 pandemic. Under the CARES Act, the Paycheck Protection Program (“PPP”) was established to provide assistance to small businesses with resources needed to maintain payroll and cover applicable overhead. On March 24, 2021, the Organization, through a financial institution, was approved for and received a loan in the amount of \$350,000. On November 22, 2021, the Organization obtained forgiveness of the loan for \$350,000. However, only \$105,171 was spent on allowable expenses. Accordingly, only \$105,171 has been recorded in Paycheck Protection Program loan revenue at December 31, 2021.

NOTE Q – FUNCTIONAL EXPENSES

The combined financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, and insurance, which are allocated on the basis of time and effort, children served and/or number of personnel.

NOTE R – RISK AND UNCERTAINTIES

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operation. Management is actively monitoring the global pandemic situation.

SUPPLEMENTAL INFORMATION

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2021

Grantor/Program Title	CFDA CSFA	Award Number	Expenditures
Federal Awards			
U.S. Department of Agriculture			
<i>Passed through the State of Florida</i>			
<i>Department of Health:</i>			
Child and Adult Care Food Program - Centers	10.558	U51	\$ 5,290,627
Child and Adult Care Food Program - Homes	10.558	D-702	326,190
Child and Adult Care Food Program - Head Start	10.558	S3	<u>229,774</u>
Total U.S. Department of Agriculture			<u>5,846,591</u>
U.S. Department of Housing and Urban Development			
<i>Passed through Orange County, Florida:</i>			
Community Development Block Grants	14.218	93-34	<u>400,692</u>
U.S. Department of Health and Human Services			
<i>Passed through the Florida Office of Early Learning and the Early Learning Coalition of Orange County:</i>			
Temporary Assistance for Needy Families	93.558	1217-20/21	6,710,953
Temporary Assistance for Needy Families	93.558	1217-21/22	4,584,253
<i>Passed through the Office of Early Learning and the Early Learning Coalition of Osceola County:</i>			
Temporary Assistance for Needy Families	93.558	CA-20/21	1,258,883
Temporary Assistance for Needy Families	93.558	CA-21/22	<u>763,705</u>
Program Total			<u>13,317,794</u>
<i>Passed through the Florida Office of Early Learning and the Early Learning Coalition of Orange County:</i>			
Child Care and Development Block Grant	93.575	1217-20/21	11,091,375
Child Care and Development Block Grant	93.575	1217-21/22	16,038,588
CARES	93.575	1217-20/21	2,307,958
CARES	93.575	1217-21/22	41,379
CRRSA	93.575	1217-20/21	5,985,067
CRRSA	93.575	1217-21/22	13,840,005
<i>Passed through the Office of Early Learning and the Early Learning Coalition of Osceola County:</i>			
Child Care and Development Block Grant	93.575	CA-20/21	2,015,055
Child Care and Development Block Grant	93.575	CA-21/22	2,909,880
CARES	93.575	CA-20/21	384,494
CARES	93.575	CA-21/22	14,364
CRRSA	93.575	CA-20/21	1,552,827
CRRSA	93.575	CA-21/22	3,819,129
<i>Passed through the State of Florida Department of Children and Families:</i>			
Child Care and Development Block Grant	93.575	LC929	<u>349,851</u>
			<u>60,349,972</u>

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2021

Grantor/Program Title	CFDA CSFA	Award Number	Expenditures
<i>Federal Awards (continued)</i>			
U.S. Department of Health and Human Services			
<i>Passed through the Florida Office of Early Learning and the Early Learning Coalition of Orange County:</i>			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	1217-20/21	6,584,055
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	1217-21/22	4,538,939
<i>Passed through the Florida Office of Early Learning and the Early Learning Coalition of Osceola County:</i>			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CA-20/21	1,235,078
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CA-21/22	<u>756,613</u>
			<u>13,114,685</u>
Program Total (Child Care and Development Fund Cluster)			<u>73,464,657</u>
Direct Program:			
Head Start and Early Head Start	93.600	04CH011019-02-00	7,454,622
Early Head Start Child Care Partnership	93.600	04HP000234-02-00	4,563,236
Early Head Start - EXP	93.600	04HP000129-02-00	<u>2,476,820</u>
Program Total			<u>14,494,678</u>
Passed-through the Catholic Charities of Central Florida, Inc.:			
Refugee and Entrant Assistance - State Administered Programs	93.566	4C2020	22,967
Refugee and Entrant Assistance - State Administered Programs	93.566	4C2021	<u>25,324</u>
Program Total			<u>48,291</u>
<i>Passed through the Florida Office of Early Learning and the Early Learning Coalition of Orange County:</i>			
Social Services Block Grant	93.667	1217-20/21	17,082
Social Services Block Grant	93.667	1217-21/22	12,587
<i>Passed through the Florida Office of Early Learning and the Early Learning Coalition of Osceola County:</i>			
Social Services Block Grant	93.667	CA-20/21	3,204
Social Services Block Grant	93.667	CA-21/22	<u>2,217</u>
Program Total			<u>35,090</u>
Total U.S. Department of Health and Human Services			<u>101,360,510</u>
Total Expenditures of Federal Awards			<u>107,607,793</u>

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2021

Grantor/Program Title	CFDA CSFA	Award Number	Expenditures
State Financial Assistance			
Florida Department of Education and Commissioner of Education:			
<i>Passed through the Florida Office of Early Learning and the Early Learning Coalition of Orange County:</i>			
Voluntary Pre-Kindergarten Education Program	48.108	1217-20/21	12,989,767
Voluntary Pre-Kindergarten Education Program	48.108	1217-21/22	12,908,312
<i>Passed through the Florida Office of Early Learning and the Early Learning Coalition of Osceola County:</i>			
Voluntary Pre-Kindergarten Education Program	48.108	CA-20/21	3,589,100
Voluntary Pre-Kindergarten Education Program	48.108	CA-21/22	<u>3,599,188</u>
Program Total			<u>33,086,367</u>
Total Expenditures of State Financial Assistance			<u>33,086,367</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u><u>\$ 140,694,160</u></u>

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

December 31, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal grant and state financial assistance project activity of the Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. (collectively the “Organization”) under programs of the federal government and the State of Florida for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Florida Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

NOTE B – 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and cost principles established by the State of Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers (contract or grant number) are presented where available.

NOTE C – CONTRACT MATCHING CONTRIBUTIONS

The Organization has received support from government agencies, under grant contracts, which have match requirements. Management of the Organization has determined that the Organization has met the match requirement or received a waiver from the match requirement of their grant contracts as of December 31, 2021.

Volunteer services of \$657,305, \$305,610, \$360,717, and \$308,876 were provided to the Head Start, Early Head Start program, Early Head Start Child Care Partnership, and Early Head Start Expansion respectively, and are used to satisfy match requirements but are not included in the combined financial statements because they do not meet the criteria for recognition.

NOTE D – INDIRECT COST RATES

The Organization has elected to not use the 10% de minimis indirect cost rate for its federal programs and state projects for the year ended December 31, 2021. The indirect cost rates used on the Organization’s federal programs and state projects are determined by the relevant federal or state agency.

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

COMBINED SCHEDULE OF HEAD START EXPENSES

Year Ended December 31, 2021

	<u>January 1, 2021 - June 30, 2021</u>			<u>July 1, 2021 - December 31, 2021</u>			<u>Grand Total</u>
	<u>Federal</u>	<u>Local</u>	<u>Total</u>	<u>Federal</u>	<u>Local</u>	<u>Total</u>	
Salaries	\$ 942,501	\$ 46,586	\$ 989,087	\$ 936,300	\$ 46,280	\$ 982,580	\$ 1,971,667
Payroll taxes and employee benefits	235,077	11,619	246,696	228,008	11,271	239,279	485,975
Total salaries and related expenses	1,177,578	58,205	1,235,783	1,164,308	57,551	1,221,859	2,457,642
Educational training services and contractual	315,022	15,571	330,593	314,537	15,547	330,084	660,677
Rent	132,615	6,555	139,170	137,505	6,797	144,302	283,472
Telephone and utilities	80,109	3,960	84,069	66,666	3,296	69,962	154,031
Repairs and maintenance	95,630	4,727	100,357	77,847	3,847	81,694	182,051
Office expense	16,000	791	16,791	23,269	1,150	24,419	41,210
Food and classroom supplies	76,854	3,799	80,653	32,040	1,584	33,624	114,277
Professional services	2,008	99	2,107	4,192	207	4,399	6,506
Noncapital equipment costs	2,554	126	2,680	415	21	436	3,116
Temporary services	-	-	-	8,233	407	8,640	8,640
Insurance	4,197	207	4,404	4,326	215	4,541	8,945
Training and technical assistance	12,804	633	13,437	47,075	2,327	49,402	62,839
Computer support	3,468	171	3,639	19,690	973	20,663	24,302
In-kind expenses	422,639	20,890	443,529	218,232	10,789	229,021	672,550
Depreciation	454	22	476	340	17	357	833
Travel	3,779	187	3,966	3,916	193	4,109	8,075
Equipment rental	1,919	95	2,014	1,857	92	1,949	3,963
Miscellaneous	6	-	6	40	2	42	48
Program expense	134,008	6,624	140,632	3,733	184	3,917	144,549
Dues and publications	2,722	135	2,857	1,617	79	1,696	4,553
Directory/advertising	-	-	-	725	36	761	761
Vehicle expense	2,536	125	2,661	6,183	306	6,489	9,150
Management and general	58,191	2,876	61,067	38,208	1,889	40,097	101,164
Total expenses	<u>\$ 2,545,093</u>	<u>\$ 125,798</u>	<u>\$ 2,670,891</u>	<u>\$ 2,174,954</u>	<u>\$ 107,509</u>	<u>\$ 2,282,463</u>	4,953,354
							(101,164)
							(657,305)
							<u>\$ 4,194,885</u>

See Independent Auditors' Report

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

COMBINED SCHEDULE OF EARLY HEAD START EXPENSES

Year Ended December 31, 2021

	<u>January 1, 2021 - June 30, 2021</u>			<u>July 1, 2021 - December 31, 2021</u>			<u>Grand Total</u>
	<u>Federal</u>	<u>Local</u>	<u>Total</u>	<u>Federal</u>	<u>Local</u>	<u>Total</u>	
Salaries	\$ 680,566	\$ 36,196	\$ 716,762	\$ 700,737	\$ 37,270	\$ 738,007	\$ 1,454,769
Payroll taxes and employee benefits	167,861	8,928	176,789	178,047	9,469	187,516	364,305
Total salaries and related expenses	848,427	45,124	893,551	878,784	46,739	925,523	1,819,074
Educational training services and contractual	691,403	36,773	728,176	575,445	30,605	606,050	1,334,226
Rent	66,080	3,514	69,594	67,291	3,580	70,871	140,465
Telephone and utilities	22,364	1,189	23,553	21,850	1,163	23,013	46,566
Repairs and maintenance	23,716	1,261	24,977	15,713	836	16,549	41,526
Office expense	7,756	412	8,168	10,868	579	11,447	19,615
Food and classroom supplies	17,229	916	18,145	18,969	1,009	19,978	38,123
Professional services	749	40	789	2,991	159	3,150	3,939
Noncapital equipment costs	359	19	378	-	-	-	378
Temporary services	-	-	-	6,445	342	6,787	6,787
Insurance	3,462	184	3,646	3,606	192	3,798	7,444
Training and technical assistance	10,972	584	11,556	42,424	2,255	44,679	56,235
Computer support	2,267	121	2,388	11,353	604	11,957	14,345
In-kind expenses	166,448	8,853	175,301	129,566	6,889	136,455	311,756
Depreciation	392	21	413	303	16	319	732
Travel	3,224	171	3,395	3,401	182	3,583	6,978
Equipment rental	853	45	898	788	42	830	1,728
Miscellaneous	6	-	6	6	-	6	12
Program expense	85,287	4,536	89,823	81,075	4,312	85,387	175,210
Dues and publications	1,638	87	1,725	799	43	842	2,567
Directory/advertising	-	-	-	4,619	246	4,865	4,865
Vehicle expense	563	30	593	2,886	154	3,040	3,633
Management and general	67,645	3,598	71,243	38,593	2,053	40,646	111,889
Total expenses	<u>\$ 2,020,840</u>	<u>\$ 107,478</u>	<u>\$ 2,128,318</u>	<u>\$ 1,917,775</u>	<u>\$ 102,000</u>	<u>\$ 2,019,775</u>	4,148,093
						Less management and general expenses	(111,889)
						Less in-kind volunteer services	(305,610)
						Combined statement of funtional expenses	<u>\$ 3,730,594</u>

See Independent Auditors' Report

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

COMBINED SCHEDULE OF EARLY HEAD START CHILD CARE PARTNERSHIP EXPENSES

Year Ended December 31, 2021

	<u>January 1, 2021 - July 31, 2021</u>			<u>Aug. 1, 2021 - December 31, 2021</u>			<u>Grand Total</u>
	<u>Federal</u>	<u>Local</u>	<u>Total</u>	<u>Federal</u>	<u>Local</u>	<u>Total</u>	
Salaries	\$ 467,937	\$ 7,222	\$ 475,159	\$ 329,487	\$ 5,086	\$ 334,573	\$ 809,732
Payroll taxes and employee benefits	123,904	1,912	125,816	83,612	1,291	84,903	210,719
Total salaries and related expenses	591,841	9,134	600,975	413,099	6,377	419,476	1,020,451
Educational training services and contractual	1,994,606	23,218	2,017,824	996,539	-	996,539	3,014,363
Rent	26,668	412	27,080	19,473	300	19,773	46,853
Telephone and utilities	20,496	316	20,812	12,457	193	12,650	33,462
Repairs and maintenance	8,273	128	8,401	7,462	115	7,577	15,978
Office expense	6,817	105	6,922	4,170	64	4,234	11,156
Food and classroom supplies	927	14	941	11,960	186	12,146	13,087
Professional services	22,834	352	23,186	7,417	116	7,533	30,719
Noncapital equipment costs	591	9	600	-	-	-	600
Temporary services	13,532	209	13,741	7,087	109	7,196	20,937
Insurance	4,780	74	4,854	3,528	54	3,582	8,436
Training and technical assistance	50,401	778	51,179	67,358	1,039	68,397	119,576
Computer support	3,183	49	3,232	10,358	160	10,518	13,750
In-kind expenses	232,254	3,585	235,839	126,415	1,950	128,365	364,204
Depreciation	643	10	653	354	6	360	1,013
Travel	1,964	30	1,994	1,349	21	1,370	3,364
Equipment rental	670	10	680	415	7	422	1,102
Miscellaneous	10	-	10	7	-	7	17
Program expense	58,487	887	59,374	3,024	25	3,049	62,423
Dues and publications	1,781	27	1,808	614	10	624	2,432
Directory/advertising	-	-	-	413	6	419	419
Vehicle expense	1,631	25	1,656	1,521	24	1,545	3,201
Management and general	50,792	784	51,576	20,272	313	20,585	72,161
Total expenses	<u>\$ 3,093,181</u>	<u>\$ 40,156</u>	<u>\$ 3,133,337</u>	<u>\$ 1,715,292</u>	<u>\$ 11,075</u>	<u>\$ 1,726,367</u>	4,859,704
							(72,161)
							(360,717)
							<u>\$ 4,426,826</u>

Less management and general expenses (72,161)
Less in-kind volunteer services (360,717)
Combined statement of funtional expenses \$ 4,426,826

See Independent Auditors' Report

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

COMBINED SCHEDULE OF EARLY HEAD START EXPANSION EXPENSES

Year Ended December 31, 2021

	January 1, 2021 - June 30, 2021			July 1, 2021 - December 31, 2021			Grand Total
	Federal	Local	Total	Federal	Local	Total	
Salaries	\$ 655,895	\$ 98,614	\$ 754,509	\$ 656,187	\$ 98,659	\$ 754,846	\$ 1,509,355
Payroll taxes and employee benefits	158,590	23,844	182,434	165,592	24,897	190,489	372,923
Total salaries and related expenses	814,485	122,458	936,943	821,779	123,556	945,335	1,882,278
Educational training services and contractual	-	-	-	523	78	601	601
Rent	107,439	16,154	123,593	108,697	16,342	125,039	248,632
Telephone and utilities	22,534	3,388	25,922	24,622	3,701	28,323	54,245
Repairs and maintenance	25,561	3,843	29,404	9,558	1,437	10,995	40,399
Office expense	10,564	1,588	12,152	10,374	1,560	11,934	24,086
Food and classroom supplies	29,470	4,431	33,901	44,181	6,642	50,823	84,724
Professional services	515	77	592	2,302	346	2,648	3,240
Noncapital equipment costs	8,289	1,246	9,535	1,675	252	1,927	11,462
Temporary services	5,344	803	6,147	7,151	1,075	8,226	14,373
Insurance	2,582	388	2,970	2,705	406	3,111	6,081
Training and technical assistance	4,648	699	5,347	18,376	2,762	21,138	26,485
Computer support	1,190	179	1,369	7,633	1,148	8,781	10,150
In-kind expenses	142,672	21,451	164,123	142,618	21,443	164,061	328,184
Depreciation	188	28	216	155	23	178	394
Travel	674	101	775	681	103	784	1,559
Equipment rental	583	88	671	639	96	735	1,406
Miscellaneous	3	-	3	3	-	3	6
Program expense	40,990	6,163	47,153	62,189	9,350	71,539	118,692
Dues and publications	875	132	1,007	663	99	762	1,769
Directory/advertising	-	-	-	336	51	387	387
Vehicle expense	171	26	197	1,396	209	1,605	1,802
Management and general	75,975	11,423	87,398	78,462	11,797	90,259	177,657
Total expenses	\$ 1,294,752	\$ 194,666	\$ 1,489,418	\$ 1,346,718	\$ 202,476	\$ 1,549,194	3,038,612
							(177,657)
							(308,876)
							<u>\$ 2,552,079</u>

See Independent Auditors' Report



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**INDEPENDENT AUDITORS' 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**

To the Board of Directors of
Community Coordinated Care for Children, Inc.
and The 4C Foundation, Inc.
Orlando, Florida

We have audited, in accordance with the 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 combined financial statements of Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. (collectively the "Organization") (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2021, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated June 8, 2022.

Reporting on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Organization'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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 combined 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined 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 combined 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
June 8, 2022



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE OF FLORIDA
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

To the Board of Directors of
Community Coordinated Care for Children, Inc.
and The 4C Foundation, Inc.
Orlando, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.'s (collectively the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, and special audit guidance provided by the Office of Early Learning that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended December 31, 2021. The Organization's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 and state projects for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program and State Project

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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General*, and special audit guidance provided by the Office of Early Learning. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 and state project. Our audit does not provide a legal determination of the Organization'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 the Organization's federal programs and state projects.

Auditors' 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 the Organization'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, 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 the Organization's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, 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 the Organization'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 the Organization'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 and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 and state project 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 and state project 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 and state project 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 Auditors' 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 and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
June 8, 2022

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

December 31, 2021

Section I – Summary of Auditors’ Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditors’ report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 1. Type of auditors’ report issued on compliance for major programs: | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | No |
| 4. Dollar threshold used to distinguish between Type A and Type B programs | \$3,228,234 |
| 5. Auditee qualified as low-risk auditee? | Yes |

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Child Care and Development Fund Cluster	93.575 & 93.596
Child and Adult Care Food Program	10.558

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

December 31, 2021

Section I – Summary of Auditors’ Results (continued)

State Financial Assistance

- | | |
|--|---------------|
| 1. Type of auditors’ report issued on compliance for major projects: | Unmodified |
| 2. Internal control over major projects: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, <i>Rules of the Auditor General</i> | No |
| 4. Dollar threshold used to distinguish between Type A and Type B projects | \$992,591 |

Identification of major projects:

<u>Name of State Projects</u>	<u>CSFA Number</u>
Voluntary Pre-Kindergarten Education Program	48.108

Section II – Financial Statement Findings

No current year findings (no corrective action plan or management letter required)

Section III – Federal Award and State Projects Findings and Questioned Costs

None (there are no items related to Federal Awards and State financial assistance required to be reported in the management letter, therefore no management letter issued)

Section IV – Status of Prior Year Audit Findings

There were no prior year audit findings.

Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

December 31, 2021

Section V – Enhanced Fields System Modernization (EFS Mod) monthly reconciliation

- | | |
|---|-----|
| 1. EFS Mod reconciled monthly | Yes |
| 2. Processes in place to identify and correct errors during monthly reconciliations to EFS Mod | Yes |
| 3. Organization's financial records reconcile and agree to EFS Mod records as of program year ended December 31, 2021 | Yes |
| 4. Audit work papers documenting verification of reconciliations available to OEL staff | Yes |