

NON- PROFIT ORGANIZATION
REQUEST FOR CITY OF FRANKLIN
2019-2020 FISCAL YEAR

Received
MAR 15 7
P.M.

Organization Name: Phone: Community Child Care, Inc. - 615.794.8986

Contact Person & Title: Tara Blue – Executive Director

Mailing Address: 129 West Fowlkes Suite 1270 – Franklin, TN 37064

Federal Identification # 62-0852972

Email Address: communitychild@bellsouth.net

Number of Active Participants in Organization: 60 families- 12 staff persons

Does this organization charge fees to participants? Yes No

If yes, please itemize the structure utilized (use a separate sheet if necessary):

\$175/weekly= Infants/Toddlers \$155/weekly= Toddlers/2's and 3's

\$135.00/weekly= Pre-school

If no, please explain:

Please provide the approximate number of clients served by your program on a yearly basis
72

All funds provided by the Williamson County Commission must be used to provide assistance to Williamson County citizens only. Please provide documentation to show the expenses used for service to Williamson County Citizens: and an estimate of how many are Williamson County Citizens: 98% of our children live in Williamson County. Our private funds and donations are used to assist all of our children at the center. Since we are a daycare, we provide resources to all of our children not separating the activities and opportunities based on the county they live in. It is our goal to have the majority of our families live in Williamson County.

List ANY agency (or agencies) in Williamson County which you consider may directly, or indirectly provide the same or similar services as those provided by your agency. If such an agency exists, please list the similarities (use additional sheet, if needed):

Headstart- provides discounted childcare to families who cannot afford full tuition

Unless prohibited by law, please provide documentation that your organization made a good faith effort to collect donations from private resources.

Please see attached letters that were distributed to organizations seeking funds

Non- Profit Organization Request for City of Franklin - Page Two

Organization: Community Child Care, Inc.

Expenditures:	Actual 2017-18	Expended 2018-19	Requested 2019-20
Salaries	\$ 367,138.00	\$406,868.00	\$406,868.00
Accounting & Audit	\$ 12, 112.00	\$16,468.00	\$17,000.00
Occupancy	\$ 1,800.00	\$1,800.00	\$1,800.00
Supplies	\$46,105.00	\$54,600.00	\$56,000.00
Conferences, Training	\$799.00	\$500.00	\$800.00
Utilities	\$13,085.00	16,840.00	\$17,500.00
Insurance	\$ 12,435.00	12,290.00	\$13,000.00
Other	\$19,417.00	\$15,000.00	\$17,000.00
Depreciation	\$1,372.00	\$1,500.00	\$1,500.00
Employee Benefits	\$12,445.00	\$12,486.00	\$13,000.00
Payroll Taxes	\$27,966.00	\$30,600.00	\$32,000.00
Advertising & Promo	\$1,459.00	\$3,376.00	\$3,500.00
Total Budget	\$516,133.00	\$572,328.00	\$579,968.00

Revenues:	2016-17	2018-19	2019-20
Williamson County Govt.	\$7,508.00	\$7,508.00	\$7,508.00
City of Franklin Government	\$29,140.00	\$29,140.00	\$29,140.00
United Way	\$179,328.00	\$180,033.00	\$180,033.00
Childcare Vouchers	\$73, 062.00	\$103,959.00	\$133,000.00
CACFP (Food Service)	\$32, 763.00	\$34,479.00	\$36,000.00
Daycare Fees	\$138,233.00	\$205,001.00	\$225,00.00
Fundraising	\$16,233.00	\$22,795.00	\$30,000.00
Investment Income	\$1,277.00	\$1,200.00	\$1,200.00
Total	\$477,544.00	\$584,115.00	\$641,881.00

Non- Profit Organization Request for City of Franklin- Page Three

Organization: Community Child Care Inc.

Personnel & Salary Information

Personnel	Salary- Actual 2017-18	Salary- Projected 2018-19	Salary- Requested 2019-20
Director's (2)	95,000.00	102,000.00	102,000.00
Food Service (1)	24,739.82	26,000.00	26,000.00
Pre-school (3)	74,219.46	82,411.00	82,411.00
Toddler (3)	74,219.46	82,411.00	82,411.00
Infant (2)	49,479.64	56,134.64	56,134.64
Floater (2)	37,479.64	44,134.64	44,134.64
Custodial (1)	12,000.00	13,776.72	13,776.72
Total	367,138.00	\$406,868.00	406,868.00

List any equipment owned by this organization funded, in whole or in part, by the City of Franklin. Please indicate what it is used for, how it is maintained and where it is stored (use a separate sheet if necessary):

We own all of the equipment currently in our building. The county will repair most of our equipment when we put in a work order. If not, we are responsible for repairs such as: refrigerator or stove repairs.

City of Franklin

Application Addendum

For the funding year, July 1, 2019 through June 30, 2020

Name of Agency: Community Child Care, Inc. Date: March 4, 2019

Please provide a detailed description of the proposed use of funds that the City of Franklin might provide for Fiscal Year 2019- 2020:

- Updated curriculum and resources
- Classroom resources (toys, books, cleaning supplies, furniture and manipulatives)
- Teacher and Director training mandated by the Department of Human Services
- Assist with tuition fees and computer classes that are not affordable for Williamson County residents
- In- house speakers and field trips
- Diapers and wipes for infants and toddlers when they arrive to the center without any
- Additional playground equipment
- Upkeep of computer lab that will be installed this summer
- Upkeep of library and resource room to be completed by this summer

Please provide information on any interaction that your agency has with the operations of City of Franklin Departments (e.g., response to calls from Police after domestic incidents, provision of meals or lodging to displaced persons, etc.):

- We work with Bridges to assist mothers with their children's daycare needs during their time of transition

Please answer completely the following questions using additional pages if necessary:

- 1. Specifically what services did your agency provide last year for which you are Requesting funding this year? What were objectives and results? (Include description capacity, intensity and duration of services.)**

The services provided last year and the funding request for this was and is to provide daycare for children under the age of six years old. The objectives of the program is to provide a safe, nurturing and stimulating childcare experience for the children while preparing them to enter into a total structure and learning environment. We aim to give our families a stable and tenured staff in a convenient location, a well-kept facility that is in compliance and exceeding state license requirements. We provide parent workshops to enhance their parenting and budgeting skills, health tips and professional services. We also offer an excellent curriculum, diversity, strong leadership and a broad base public support system is available to our clients. We have earned a 3 star rating from the State of Tennessee which is the highest rating a childcare facility can obtain. Workshops - field trips/speakers - computer classes - supplies - mother's breastfeeding room - children's closet- these services are on-going

- 2. Are there procedures in place for measuring the results achieved by your agency? If so, provide detailed data.**

The center receives a total of six (6) reviews annually to measure the program at different times of the year. Four (4) of these reviews are unannounced and the other two (2) are scheduled by the State of Tennessee Board of Licensing.

- 3. Does your agency receive any external quality review or accreditation? If so, provide a copy of certificate or license and please explain.**

The center receives an annual total agency evaluation including health and fire inspections. Based on their findings the center is given a license to operate or a non-compliance write up.

- 4. What percent of your local agency budget is your allocation request from the City of Franklin? 5.1 %**

- 5. What other fundraising activities does your agency engage in during the year?**

Casino Night

The Taste of Williamson

Annual Giving Campaign- starting this fall (2018)

Leadership Franklin- adopted our center to assist with financial needs

- 6. Do you charge any fees for your services?**

The center bases each family's fees on free and reduced income as established by the Department of Human Services



November 20, 2018

Dear Friends,

I am elated and proud to be the Executive Director of the Community Child Care Center located in the heart of Franklin, Tennessee. We are a non-profit agency that relies heavily on donations and acts of service. Here at CCC we are committed to serving and providing the best childcare experience to every family that walks through our doors. We are fortunate to assist children with delayed milestones by working closely with community agencies that visit our center weekly. These children receive one on one therapy and have individualized set goals. We believe that it is our goal and purpose to lay a solid educational foundation for each child. What you pour into these young minds plays a major role in their future growth. We count it an honor and a privilege to shape, nurture, educate and love on our children and families. We have high expectations for both and we feel that it is our responsibility as educators to provide them with a solid beginning.

Our Staff:

The numbers speak for themselves-

We have a dedicated staff whose service ranges from 1 year to 43 years. They are committed to shaping and training our future leaders. It would be impossible to carry out our daily mission without their dedication.

Our Purpose:

We exist to provide an affordable childcare for all families who either work or in school. We also offer some of the most affordable childcare rates in the Williamson County area. In order to stay true to our mission we rely heavily on donations and volunteers.

Would you consider partnering with us?

Your financial support will –

- Help us maintain our 3 star rating
- Add to our kid- friendly playground
- Financially assist families with fees
- Provide on-site field trips, speakers, celebrations and establish a fine arts curriculum
- Build up our technology curriculum
- Purchase resources for each classroom
- Provide on- going training for the teachers and staff

We could not exist without the help of the community. When you get a moment, please stop by to visit our facility. Once you have entered our doors, you will see why we exist and how important it is to support an agency such as ours. Thank you for your consideration and may the remaining of your year be filled with peace and love.

Sincerely,

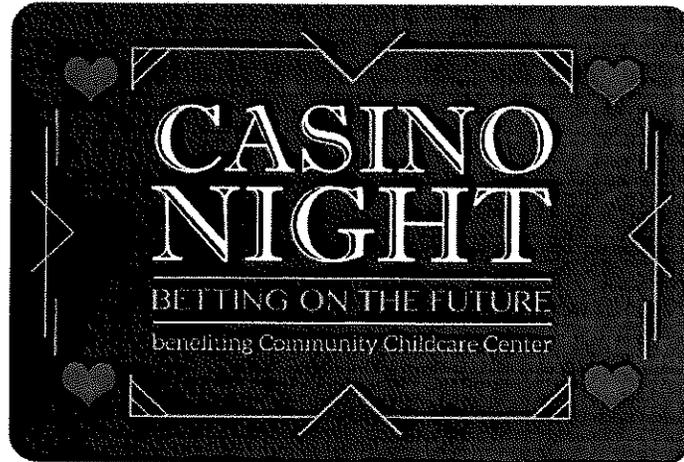
Tara Blue- Executive Director

129 W. Fowlkes Suite 1270

Franklin Tenn. 37064

615.794.8986

Join Us for a Casino Night!



Eastern Flank Event Facility

March 29, 2019

6:30 to 10:00 pm

*For tickets, call 615.794.8986
or visit*

www.casinonightfranklin.eventbrite.com

\$65 per ticket*
(includes food and entertainment)



childcarefranklin.org

*A portion of the ticket price is tax deductible,
Benefitting Community Child Care.

Tennessee Secretary of State
Tre Hargett



Division of Charitable Solicitations, Fantasy Sports, and Gaming
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243-1102

Mona Hart
Director

615-741-2555
Mona.Hart@tn.gov

November 5, 2018

Tara Blue
Community Child Care, Inc.
129 West Fowlkes Street, Suite 1270
Franklin, TN 37064

RE: **APPROVAL** - Registration to Solicit Funds for Charitable Purposes
Community Child Care, Inc. - CO4568
Registration Expiration Date: **December 31, 2019**

Dear Tara Blue:

Pursuant to Tenn. Code Ann. § 48-101-501, *et seq.*, the Division of Charitable Solicitations and Gaming has reviewed your submitted application and is pleased to announce your organization's registration to solicit contributions has been **approved**.

With this approval, your organization has new responsibilities for maintaining statutory compliance, including submission of the proper documents and required fees on an annual basis. The required filings include:

- Completed *Application to Renew Registration* form
- Completed *Summary of Financial Activities* form
- IRS determination letter granting tax-exempt status, if not previously filed
- IRS *Form 990*, *Form 990EZ*, or *990N* for the most recently completed accounting year, if the organization qualifies as tax-exempt
- An audited financial statement if the organization grossed more than \$500,000 in revenue
- Any amendments to the organization's governing documents

The *Application to Renew Registration* and *Summary of Financial Activities* forms are available on our website at <http://sos.tn.gov/charitable>. Additionally, the "CO" number listed above will serve as your organization's identification number specific to this division and should be included on all correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

Tre Hargett
Secretary of State

CFW:CO4568



TENNESSEE DEPARTMENT OF REVENUE

SALES AND USE TAX CERTIFICATE OF EXEMPTION

COMMUNITY CHILD CARE, INC.
PO BOX 681205
FRANKLIN TN 37068-1205

Effective Date: July 1, 2015
Exemption Number: 100251998
Expiration Date: June 30, 2019
129 W FOWLKES ST
FRANKLIN TN 37064-3561

The Tennessee Department of Revenue has issued a tax-exemption number for the educational, religious, historical, or charitable non-profit organization or institution named above. State law (Tenn. Code Ann. § 67-6-322) gives the Department the authority to allow this organization to make tax-exempt purchases of goods and services that it will use, consume or give away. This authorization for exemption does not extend to sales tax that the organization must collect or pay on its regular sales of goods or taxable services.

This authorization for exemption is limited to sales made directly to the above named organization. This certificate may not be used for sales made to individuals paying with personal checks or personal debit or credit cards, even if the individual is a representative or employee of the above named organization, and he or she will be reimbursed for the purchase. Sellers must refuse to accept the certificate when the sale is made to someone other than the above named organization.

The organization must furnish its suppliers of goods and services with a copy of this certificate. The lower portion of the certificate must be properly completed. The organization must retain the original certificate for copy purposes. The supplier will maintain a file copy as evidence of the exempt sale to the organization. Later purchases made before the expiration date do not require the submission of additional copies.

The organization must notify the Department immediately if it ceases to exist or if its location or mailing address changes.

Richard H. Roberts
Commissioner of Revenue

To Be Completed by the Organization

TO: Supplier's Name Community Child Care
Address 129 W. Fowlkes Suite 1270
City Franklin State TN Zip 37064

I, Jane Blum, as an authorized representative of the organization named above, affirm that the purchases made under this authority will be used and consumed by the organization or will be given away.

Under penalty of perjury, I affirm this to be a true and correct statement.

Print Name of Organization Community Child Care

Print Name of Purchaser _____

Signature of Purchaser _____ Date _____

COMMUNITY CHILD CARE, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2018 AND 2017

COMMUNITY CHILD CARE, INC.

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BELLENFANT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Child Care, Inc.
Franklin, Tennessee

We have audited the accompanying financial statements of Community Child Care, Inc., which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Community Child Care, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bellenfant, PLLC

July 27, 2018

COMMUNITY CHILD CARE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash	324,718	250,296
Certificates of Deposit	-	150,000
County Government Receivable	7,508	7,508
Child Care Assistance Receivable	3,946	4,505
Child Care Food Program Receivable	3,280	2,352
Prepaid Expenses	1,800	-
	<u>341,252</u>	<u>414,661</u>
NON-CURRENT ASSETS		
Certificates of Deposit	140,000	-
	<u>140,000</u>	<u>-</u>
FIXED ASSETS		
Furniture and Equipment	46,068	36,612
Less: Accumulated Depreciation	(32,982)	(31,610)
	<u>13,086</u>	<u>5,002</u>
Total Assets	<u>\$ 494,338</u>	<u>\$ 419,663</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 4,930	\$ 322
	<u>4,930</u>	<u>322</u>
NET ASSETS		
Net Assets - Unrestricted	489,408	419,341
	<u>489,408</u>	<u>419,341</u>
Total Liabilities and Net Assets	<u>\$ 494,338</u>	<u>\$ 419,663</u>

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

COMMUNITY CHILD CARE, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

SUPPORT AND REVENUE:	<u>2018</u>	<u>2017</u>
Tennessee Department of Human Services		
Child Care Food Program	\$ 34,479	\$ 32,763
Child Care Assistance	103,959	73,062
	<hr/>	<hr/>
Total Tennessee Department of Human Services	138,438	105,825
United Way	180,033	179,328
Day Care Fees	205,001	138,233
City of Franklin	29,140	29,140
Williamson County	7,508	7,508
Contributions	22,795	16,233
Interest	1,277	1,345
Computer Center	208	-
	<hr/>	<hr/>
Total Support and Revenue	584,400	477,612
EXPENSES:		
Program Services		
Community Day Care	335,857	283,575
Meals	66,110	65,386
	<hr/>	<hr/>
Total Program Services	401,967	348,961
Support Services		
Management and General	112,366	104,346
	<hr/>	<hr/>
Total Expenses	514,333	453,307
Change in Net Assets	70,067	24,305
Net Assets - Unrestricted, beginning of year	419,341	395,036
	<hr/>	<hr/>
Net Assets - Unrestricted, end of year	<u>\$ 489,408</u>	<u>\$ 419,341</u>

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

COMMUNITY CHILD CARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2018

	Program Services			Support Services		Total All Funds
	Community Day Care	Meals	Total Program Services	Management and General		
Salaries	\$ 254,250	\$ 29,541	\$ 283,791	\$ 83,347	\$	\$ 367,138
Payroll Taxes	19,416	2,199	21,615	6,351		27,966
Fringe Benefits	7,579	-	7,579	4,866		12,445
Payroll Processing Fees	2,737	-	2,737	-		2,737
Supplies	19,786	25,534	45,320	785		46,105
Computer Center	872	-	872	-		872
Maintenance and Cleaning	9,835	-	9,835	1,025		10,860
Professional Services	839	-	839	9,375		10,214
Advertising	-	-	-	1,459		1,459
Utilities	2,065	8,525	10,590	695		11,285
Special Events	2,785	-	2,785	141		2,926
Insurance	12,435	-	12,435	-		12,435
Taxes and Licenses	-	-	-	280		280
Dues and Subscriptions	-	-	-	2,060		2,060
Training and Seminars	495	-	495	304		799
Rent	1,800	-	1,800	-		1,800
Other	265	117	382	1,198		1,580
Total Expenses before Depreciation	335,159	65,916	401,075	111,886		512,961
Depreciation	698	194	892	480		1,372
Total Expenses	\$ 335,857	\$ 66,110	\$ 401,967	\$ 112,366	\$	\$ 514,333

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

COMMUNITY CHILD CARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2017

	Program Services			Support Services		Total All Funds
	Community Day Care	Meals	Total Program Services	Management and General		
Salaries	\$ 209,824	\$ 27,312	\$ 237,136	\$ 75,756	\$	\$ 312,892
Payroll Taxes	13,969	2,641	16,610	6,684		23,294
Fringe Benefits	10,386	-	10,386	4,140		14,526
Payroll Processing Fees	3,746	-	3,746	-		3,746
Supplies	5,953	29,731	35,684	2,167		37,851
Maintenance and Cleaning	14,098	-	14,098	451		14,549
Professional Services	2,908	-	2,908	9,200		12,108
Telephone	-	-	-	4,560		4,560
Utilities	3,616	5,150	8,766	-		8,766
Storage	336	-	336	-		336
Insurance	9,000	-	9,000	-		9,000
Taxes and Licenses	-	-	-	172		172
Dues and Subscriptions	-	-	-	479		479
Training and Seminars	529	-	529	-		529
Rent	1,800	-	1,800	-		1,800
Other	7,330	192	7,522	257		7,779
Total Expenses before Depreciation	283,495	65,026	348,521	103,866		452,387
Depreciation	80	360	440	480		920
Total Expenses	\$ 283,575	\$ 65,386	\$ 348,961	\$ 104,346		\$ 453,307

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

COMMUNITY CHILD CARE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2018</u>	<u>2017</u>
Change in Net Assets	\$ 70,067	\$ 24,305
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation	1,372	920
(Increase) Decrease in:		
County Government Receivable	-	(7,508)
Child Care Assistance Receivable	559	1,710
Child Care Food Program Receivable	(928)	695
Prepaid Expenses	(1,800)	-
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	<u>4,608</u>	<u>(2,358)</u>
Net Cash Provided (Used) by Operating Activities	<u>73,878</u>	<u>17,764</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) Redemption of Certificates of Deposit	10,000	-
(Purchase) Disposal of Furniture and Equipment	<u>(9,456)</u>	<u>(3,262)</u>
Net Cash Provided (Used) by Investing Activities	<u>544</u>	<u>(3,262)</u>
Net Increase (Decrease) in Cash	74,422	14,502
Cash, beginning of year	<u>250,296</u>	<u>235,794</u>
Cash, end of year	<u>\$ 324,718</u>	<u>\$ 250,296</u>

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

COMMUNITY CHILD CARE, INC.
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Community Child Care, Inc. ("the Organization"), located in Franklin, Tennessee, is a nonprofit corporation organized to provide child care services to low-income families.

Basis of Presentation

Community Child Care, Inc. prepares its financial statements and maintains its financial accounting records on the accrual basis of accounting. Revenue is generally recognized when earned. Expenses are generally recognized when incurred.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization had no temporarily restricted net assets as of June 30, 2018 and 2017.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had no permanently restricted net assets as of June 30, 2018 and 2017.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all certificates of deposit purchased with a maturity of three months or less to be cash equivalents. Certificates of deposit with original maturities exceeding three months are classified as investments and stated at fair value. Investments were \$140,000 and \$150,000 as of June 30, 2018 and 2017, respectively.

COMMUNITY CHILD CARE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

The Organization accounts for contributions in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification topic relating to Accounting for Contributions Received and Contributions Made. In accordance with the FASB Accounting Standards Codification, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Under the FASB Accounting Standards Codification, certain contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration or resolution of the donor restrictions. The Organization had no temporarily or permanently restricted contributions as of June 30, 2018 and June 30, 2017.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, certificates of deposit, accounts receivable, and accounts payable: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Accounts Receivable

The Organization considers accounts receivable to be fully collectible: accordingly, no allowances for doubtful accounts is required. If accounts become uncollectible, they will be charged to operations when that determination is made.

Revenue Recognition

Grant income is recognized over the grant period in relation to the expenditures incurred and services provided, as outlined in the grant documents. Cash received in excess of grant expenditures to date is recorded as deferred revenue, and an account receivable is recorded when allowable expenditures exceed cash received.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

COMMUNITY CHILD CARE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Equipment

Equipment is stated at cost for purchased equipment and at fair market value on the date received for contributed equipment less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of five years for equipment. Assets purchased with a cost of less than \$500 are expensed to minor equipment.

2. FEDERAL INCOME TAX STATUS

The Organization has been determined by the Internal Revenue Service to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

The Organization files a U.S. Federal Form 990-*Return of Organization Exempt from Income Tax*. The Organization's returns for the years prior to fiscal year ended June 30, 2015 are no longer open for examination.

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

3. GRANT REVENUE RECEIVABLE

Grant revenue receivable consists of receivables of the annual budgeted amount from Williamson County, Tennessee and Child Care Food Program, and the Child Care Assistance Program funded by the Tennessee Department of Human Services.

4. PENSION PLAN

The Organization has a defined contribution pension plan for all eligible employees. The employer contributes up to 6% of each participants salary, depending on the employee's length of service. Employer contributions for the years ended June 30, 2018 and 2017 were \$12,445 and \$14,526, respectively.

COMMUNITY CHILD CARE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018 AND 2017

5. CONCENTRATIONS OF RISK

The financial condition of all depository banks, including those with balances less than the Federal Deposit Insurance Corporation's \$250,000 insured limit, is continually reviewed by the board. The Fifth Third Operating account is currently exceeding the FDIC insured limit.

6. SIGNIFICANT SOURCE OF REVENUE RISK

The Organization receives over 24% and 22% of its revenue from the State of Tennessee Department of Human Services and over 31% and 38% from United Way for child care assistance and child care food programs for the years ended June 30, 2018 and 2017, respectively. A major reduction of funds by the grantor agencies would have a significant effect on future operations.

7. CONTINGENCY

Expenditures related to government contracts are subject to adjustment based upon review by the granting agencies. The Organization does not anticipate that adjustments, if any, arising from such reviews will have a material effect on the financial statements.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 27, 2018 which is the date the financial statements were available to be issued.