

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.
(a non-profit corporation)

Financial Statements and Schedules
with
Auditor's Reports

Year ended December 31, 2018

DOUGLAS P. KIENITZ, CPA, P.C.

TABLE OF CONTENTS

<u>PAGE</u>	
	Independent Auditor's Report 1 - 2
	Financial Statements:
	Statement of Financial Position 3
	Statement of Activities 4
	Statement of Functional Expenses 5
	Statement of Cash Flows 6
	Notes to Financial Statements 7 - 9
	Schedule of Expenditures of Federal Awards 10 - 11
	Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> 12 - 13
	Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance 14 - 15
	Schedule of Findings and Questioned Costs 16
	Status of Prior Year's Findings <u>17</u>

DOUGLAS P. KIENITZ, CPA, P.C.

P.O. BOX 21288 ■ MESA, ARIZONA 85277
(480)854-9915 PHONE/FAX

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Association for Supportive Child Care, Inc.:

Report on the Financial Statements

I have audited the accompanying financial statements of Association for Supportive Child Care, Inc., which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Association for Supportive Child Care, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated July 30, 2019, on my consideration of the Organization's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

July 30, 2019

Dylan P. Waj, CPA, P.C.

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Statement of Financial Position

December 31, 2018

ASSETS

Current assets:	
Cash and cash equivalents	\$ 1,934,992
Investments	386,513
Receivables:	
Government grants	1,533,635
United Way - unconditional promise to give	75,000
Prepaid expenses	15,981
Total current assets	<u>3,946,121</u>
Property and equipment, at cost, net of accumulated depreciation of \$25,409	196,654
Other assets:	
Refundable deposits	<u>26,587</u>
	\$ <u>4,169,362</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 210,243
Accrued salaries and vacation	260,027
Accrued and withheld payroll taxes and insurance	56,982
Total current liabilities	<u>527,252</u>
Deferred rent payable	<u>75,548</u>
	<u>602,800</u>

NET ASSETS

Net assets:	
Net assets without donor restrictions	
Unrestricted	3,468,968
Designated	8,339
	<u>3,477,307</u>
Net assets with donor restrictions	89,255
Total net assets	<u>3,566,562</u>
	\$ <u>4,169,362</u>

See accompanying notes to financial statements

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Statement of Activities

Year ended December 31, 2018

Changes in net assets without donor restrictions:	
Support and revenue:	
Grants and contracts	\$ 8,612,518
United Way allocation	157,877
Donations	64,265
Interest income	24
Other	83,617
Total support and revenue without donor restrictions	<u>8,918,301</u>
Net assets released from restrictions	<u>99,196</u>
Total support and revenue without donor restrictions and net assets released from restrictions	<u>9,017,497</u>
Expenses:	
Program services:	
First Things First Funded Programs	7,309,171
Ninos en Mi Casa	1,284,708
Phone Friend	1,536
Other	76,603
Supporting services:	
Management and general	455,060
Fundraising	90,509
Total expenses	<u>9,217,587</u>
Decrease in net assets without donor restrictions	<u>(200,090)</u>
Changes in net assets with donor restrictions:	
Grants with restrictions	89,550
Net assets released from restrictions	<u>(99,196)</u>
Decrease in net assets with donor restrictions	<u>(9,646)</u>
Decrease in net assets	(209,736)
Net assets at beginning of year	<u>3,776,298</u>
Net assets at end of year	\$ <u>3,566,562</u>

See accompanying notes to financial statements

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Statement of Cash Flows

Year ended December 31, 2018

Operating activities:	
Decrease in net assets	\$ (209,736)
Adjustments to reconcile to net cash used by operating activities:	
Depreciation	25,409
Unrealized loss on investments	13,487
Changes in operating assets and liabilities:	
Increase in receivables	(306,050)
Decrease in prepaid expenses	193,572
Decrease in refundable deposits	10,017
Increase in accounts payable	80,452
Decrease in accrued salaries and vacation	(95,960)
Increase in accrued and withheld payroll taxes and insurance	35,205
Decrease in meal reimbursements due to providers	(52,930)
Increase in deferred rent payable	75,548
Net cash used by operating activities	<u>(230,986)</u>
Investing activities:	
Purchase of investments	(400,000)
Purchase of property and equipment	<u>(222,063)</u>
Net cash used by investing activities	<u>(622,063)</u>
Net decrease in cash and cash equivalents	(853,049)
Cash and cash equivalents at beginning of year	<u>2,788,041</u>
Cash and cash equivalents at end of year	\$ <u>1,934,992</u>

See accompanying notes to financial statements

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Notes to Financial Statements

December 31, 2018

(1) Summary of Significant Accounting Policies

New Accounting Pronouncement - In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, effective for fiscal years beginning after December 15, 2017. The Organization elected to adopt the provisions of this new standard during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources. Significant accounting policies follow:

- (a) Assets, liabilities, revenues, and expenses are recognized on the accrual basis of accounting in which revenues are recognized when earned and expenditures are recognized when the obligation has been incurred.
- (b) Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.
- (c) In accordance with generally accepted accounting standards, all investments are recorded at market value.
- (d) Revenue and expenses are accounted for by program classification on the basis of defined cost centers.
- (e) Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association.
- (f) No amounts have been reflected in the financial statements for donated services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Association with specific assistance programs and various committee assignments.
- (g) Vacation leave is accrued when earned by employees.
- (h) Property and equipment are carried at cost or, if donated, at estimated fair value at date donated. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years. Expenditures of \$1,000 or more are capitalized as property and equipment.
- (i) For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.
- (j) The Association's credit risk consists of amounts earned and receivable under agreements with several State of Arizona and Federal agencies. Also, cash on deposit with two banks, approximating \$1,934,992 at December 31, 2018 was insured for a maximum amount of \$250,000 by the U.S. Federal Deposit Insurance Corporation.
- (k) Management necessarily uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results may vary from such estimates and assumptions.
- (l) The Association uses advertising to promote awareness of their programs available to the public. The production costs of advertising are expensed as incurred. Total advertising expense for the year ended December 31, 2018 was \$2,175.
- (m) The financial statements do not reflect a provision for income taxes as the Association has been granted an exemption from Federal and Arizona income taxes under section 501(c)(3) of the Internal Revenue Code and Section 43-1201-4 of the Arizona Revised Statutes on income related to its tax exempt purpose.

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Notes to Financial Statements

December 31, 2018

(2) Operations

Association for Supportive Child Care, Inc. is a non-profit organization that provides a comprehensive and coordinated range of services and activities to child care providers and parents throughout Arizona. The Organization's programs include a child care food program, child care resource and referral, and training in this environment.

(3) Marketable Securities

Marketable securities consists of the following at December 31, 2018:

<u>Issue</u>	<u>Cost</u>	<u>Quoted market</u>	<u>Unrealized gain (loss)</u>
Cash and Cash Equivalents	\$ 9,703	9,703	-
Common Stock	<u>395,822</u>	<u>376,810</u>	<u>(19,012)</u>
Balance at December 31, 2018	<u>\$ 405,525</u>	<u>386,513</u>	<u>(19,012)</u>

Components of investment income follow:

Interest and dividends	9,136
Gains (losses)	<u>(18,741)</u>
Investment expense	<u>(3,883)</u>
	<u>\$ (13,488)</u>

(4) Property and Equipment

Property and equipment consists of the following:

Leasehold improvements	\$ 24,975
Equipment and furnishings	<u>197,088</u>
	<u>222,063</u>
Accumulated depreciation	<u>25,409</u>
Net property and equipment	<u>\$ 196,654</u>

(5) Grants and Contracts

Revenue during the year ended December 31, 2018 from grants and contracts consisted of revenue recognized under contracts with various agencies as follows:

Arizona Department of Economic Security	\$ 1,458,398
First Things First	7,075,644
Other	<u>78,476</u>
	<u>\$ 8,612,518</u>

Costs and level of service are subject to review and audit by the funding agencies.

(6) Equipment and Facilities Leases

The Association leases various office locations throughout Arizona. The leases require minimum monthly rental payments of \$18,477 and expire at various dates through May 2023. Rent expense for 2018 was \$316,556. Future minimum annual rentals are required as follows:

2019	\$ 228,284
2020	235,436
2021	242,589
2022	249,741
2023	<u>101,691</u>

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Notes to Financial Statements

December 31, 2018

(6) Equipment and Facilities Leases (continued)

The Association also leases copy machines. The leases require minimum monthly rental payments of \$1,550 and expire June 2021. Rent expense for 2018 was \$20,073. Future minimum annual rentals are required as follows:

2019	\$ 18,602
2020	18,602
2021	<u>9,301</u>

(7) Retirement Plan

In 2000, the Association adopted a 401(k) retirement plan covering all eligible employees with at least one year of service. Contributions to the plan by employees are matched by the Association equal to 3% of the compensation contributed. During the year ended December 31, 2018, the Association contributed \$82,566 as a matching amount.

(8) Evaluation of Subsequent Events

The Association has evaluated subsequent events through July 30, 2019, the date which the financial statements were available to be issued.

(9) Restrictions on Net Assets

Net assets with donor restrictions are available for the following purposes:

Programs	\$ <u>89,255</u>
----------	------------------

(10) Available Resources and Liquidity

As of December 31, 2018, the Center had net assets without donor restrictions of \$3,477,307 and unrestricted cash of \$1,934,992.

Financial assets available for general expenditure within one year at December 31, 2018 consist of the following:

Cash - operations	\$ 1,934,992
Investments	<u>386,513</u>
	\$ <u>2,321,505</u>

(11) Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2018 are as follows:

	<u>Fair Value</u>	<u>Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Marketable Securities:		
Cash and cash equivalents	\$ 9,703	9,703
Common stock	<u>376,810</u>	<u>376,810</u>
	\$ <u>386,513</u>	<u>386,513</u>

Fair values for marketable securities are determined by reference to quoted market prices and other relevant information generated by market transactions.

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2018

Federal Grantor/ Pass-through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
<u>U.S. Department of Health and Human Services (Major Program)</u>			
Passed through the State Department of Economic Security:			
Child Care and Development Block Grant	93.575	ADES16-131801	\$ 160,658
Child Care and Development Block Grant	93.575	ADES16-131802	37,955
Child Care and Development Block Grant	93.575	ADES17-141357	244,681
Child Care and Development Block Grant	93.575	ADES16-141461	71,534
Child Care and Development Block Grant	93.575	ADES17-172594	231,110
Child Care and Development Block Grant	93.575	ADES17-160493	588,600
Child Care and Development Block Grant	93.575	ADES17-177954	123,860
			<u>1,458,398</u>
Passed through Child Care Aware of America:			
Child Care and Development Block Grant	93.575	N/A	<u>41,708</u>
Total: CFDA #93.575			<u>1,500,106</u>
<u>U.S. Department of Health and Human Services (Non-Major Program)</u>			
Passed through International Rescue Committee, Inc.:			
Ninos en Mi Casa	93.576	90RG0169	<u>36,768</u>
<u>U.S. Department of Education (Non-Major Program)</u>			
Passed through Valley of the Sun United Way:			
Preschool Development Grants	84.419	FTF-STATE-14-0427-02	<u>135,779</u>
Total federal awards			\$ <u>1,672,653</u>

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2018

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Association for Supportive Child Care Inc. under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Association for Supportive Child Care, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Association for Supportive Child Care, Inc.

Note B - Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where in certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Association for Supportive Child Care, Inc. has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

DOUGLAS P. KIENITZ, CPA, P.C.

P.O. BOX 21288 ■ MESA, ARIZONA 85277
(480)854-9915 PHONE/FAX

INDEPENDENT AUDITOR'S 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*

Board of Directors
Association for Supportive Child Care, Inc.:

I 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 financial statements of Association for Supportive Child Care, Inc., which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated July 30, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

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

My consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

July 30, 2019

Dylan P. WA, CPA, P.C.

DOUGLAS P. KIENITZ, CPA, P.C.

P.O. BOX 21288 ■ MESA, ARIZONA 85277
(480)854-9915 PHONE/FAX

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Association for Supportive Child Care, Inc.:

Report on Compliance for Each Major Federal Program

I have audited Association for Supportive Child Care, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2018. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In my opinion, Association for Supportive Child Care, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

July 30, 2019

Dylan P. Wolf, CPA, P.C.

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Schedule of Findings and Questioned Costs

Year ended December 31, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?	No
Identification of major programs:	
CFDA 93.575 Child Care and Development Block Grant	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

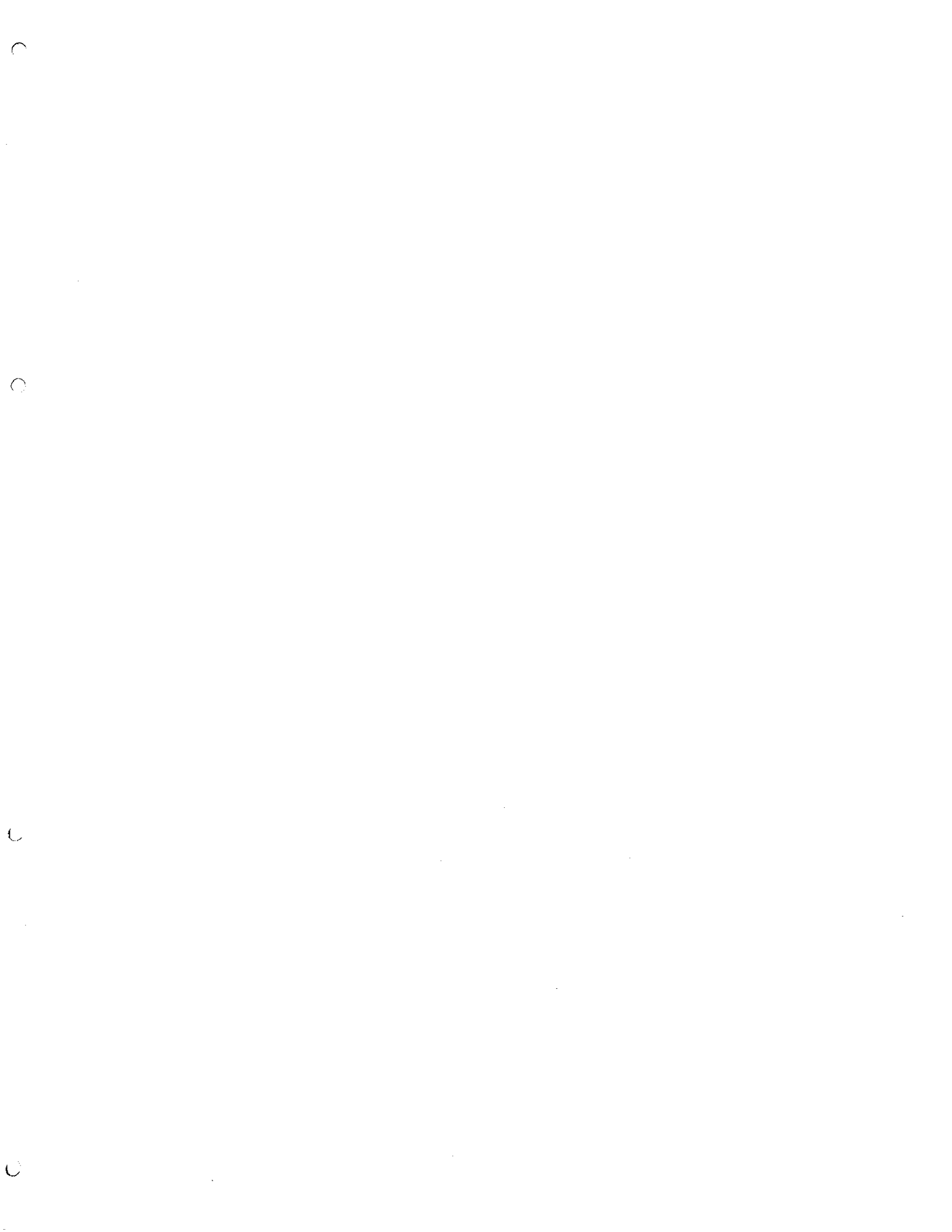
None

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Status of Prior Year's Findings

Year ended December 31, 2018

There were no findings or questioned costs for the year ended December 31, 2017.



ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Statement of Functional Expenses

Year ended December 31, 2018

Program Services		Supporting Services	
First Things	\$ 3,080,264	234,802	-
First Funded	708,461	50,506	-
Programs	3,788,725	285,308	-
Ninos en	755,798	-	-
Mi Casa	173,834	-	-
	929,632	-	-
Phone	876	-	-
Friend	201	-	-
Other	1,077	-	-
	71,351	-	-
	13,351	-	-
	71,399	-	-
Total	4,790,833	285,308	-
Program	3,894,986	234,802	-
	895,847	50,506	-
	4,790,833	285,308	-
Management	234,802	-	-
and General	50,506	-	-
	285,308	-	-
Fund	-	-	-
Raising	-	-	-
	-	-	-
Total	234,802	285,308	-
Supporting	50,506	-	-
Services	234,802	285,308	-
	545,569	543,790	-
	1,779	543,790	-
	1,779	543,790	-
Total	9,217,587	9,192,178	25,409
	9,217,587	9,192,178	25,409
	9,217,587	9,192,178	25,409

ASSOCIATION FOR SUPPORTIVE CHILD CARE, INC.

Statement of Functional Expenses

Year ended December 31, 2018

Program Services		Supporting Services	
First Things	\$ 3,080,264	234,802	234,802
First Funded Programs	708,461	50,506	50,506
	<u>3,788,725</u>	-	<u>285,308</u>
Ninos en Mi Casa	755,798	-	-
	173,834	-	-
	<u>929,632</u>	-	-
Phone Friend	876	-	-
	201	-	-
	<u>1,077</u>	-	-
Other	58,048	-	-
	13,351	-	-
	<u>71,399</u>	-	-
Total Program Services	<u>4,790,833</u>	200	200
Program Management and General	3,894,986	-	-
	895,847	-	-
	<u>4,790,833</u>	-	-
Total Program	<u>8,672,018</u>	-	-
Management and General	455,060	-	-
	1,779	-	-
	<u>453,281</u>	-	-
Fund Raising	90,509	-	-
	249	-	-
	<u>90,509</u>	-	-
Total Supporting Services	<u>545,569</u>	-	-
	1,779	-	-
	<u>543,790</u>	-	-
Total	<u>9,217,587</u>	2,175	2,000
	97,995	-	-
	28,490	-	-
	5,519	-	-
	33,137	-	-
	268,119	-	-
	316,556	-	-
	2,990,452	-	-
	41,203	-	-
	37,267	-	-
	293,124	-	-
	<u>9,192,178</u>	-	-
Total Expenses	<u>9,217,587</u>	2,175	2,000

