



CHILD CARE ACTION COUNCIL OF THURSTON COUNTY



FINANCIAL REPORT

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

CHILD CARE ACTION COUNCIL OF THURSTON COUNTY

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Child Care Action Council of Thurston County  
Olympia Washington

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Child Care Action Council of Thurston County (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Care Action Council of Thurston County as of June 30, 2025 and 2024, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Child Care Action Council of Thurston County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Child Care Action Council of Thurston County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Child Care Action Council of Thurston County'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Child Care Action Council of Thurston County's ability to continue as a going concern for a reasonable period of time.

## **Other Matters**

### **Reports on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 US Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) presented on page 22 and the Total Final Total Development Cost is presented on pages 34-36, for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration Child Care Action Council of Thurston County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

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.

A handwritten signature in black ink that reads "Lindley & Associates LLC". The signature is fluid and cursive, with "Lindley" and "Associates" connected by a flourish, and "LLC" written in a smaller, separate area.

Lindley & Associates LLC  
Bellevue WA

January 27, 2026

**CHILD CARE ACTION COUNCIL OF THURSTON COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 363,043	\$ 240,064
Cash and investments, restricted	298,251	319,790
Investments	580,797	593,334
Grants receivable	861,190	908,271
Self insurance reserve account	78,999	82,409
Prepaid expenses and other assets	57,317	34,174
Deferred lease obligation	91,653	-
Total current assets	<u>2,331,250</u>	<u>2,178,042</u>
Fixed assets, net	444,299	350,609
<b>Total assets</b>	<b><u>\$ 2,775,549</u></b>	<b><u>\$ 2,528,651</u></b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 191,141	\$ 67,847
Accrued payroll liabilities	167,599	154,290
Accrued vacation	132,315	108,407
Accrued contract payroll	80,369	65,779
Deferred lease obligation, current portion	91,653	-
Deferred revenue - contracts	298,248	319,787
Total current liabilities	<u>961,325</u>	<u>716,110</u>
Net assets		
Without donor restrictions	1,814,224	1,812,541
<b>Total liabilities and net assets</b>	<b><u>\$ 2,775,549</u></b>	<b><u>\$ 2,528,651</u></b>

See accompanying notes to the financial statements.

**CHILD CARE ACTION COUNCIL OF THURSTON COUNTY**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
Support and revenue without donor restrictions		
Government contracts:		
Federal	\$ 753,063	\$ 513,253
State and Local	4,947,977	4,069,172
Private grants and contracts	274,599	227,367
Contributions - cash	62,723	90,228
Program income	13,740	27,282
Investment income	6,780	21,470
Special events	25,040	19,745
Total support and revenue, without donor restrictions	6,083,922	4,968,517
Expenses		
Program services	5,749,290	4,676,754
Management and general	308,579	296,443
Fund-raising	116,928	103,794
Total functional expenses	6,174,797	5,076,991
Change in net assets before investment gains (losses)	(90,875)	(108,474)
Investment gains (losses), realized and unrealized	92,557	73,160
Change in net assets after gains (losses)	1,682	(35,314)
Net assets at beginning of year	1,812,541	1,847,855
Net assets at end of year	<u>\$ 1,814,224</u>	<u>\$ 1,812,541</u>

*See accompanying notes to the financial statements.*

**CHILD CARE ACTION COUNCIL OF THURSTON COUNTY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services							Support Services				Total Program and Support Services
	Parents as Teachers			Raising A Reader & Safe Kids		Imagination Library		Other Programs		Total Program Services		
	Early Achievers	Infant Toddler	ECEAP	Safe Kids	Library	Programs	General	Fundraising	Support Services	General		
Salaries	\$ 150,308	\$ 1,978,550	\$ 127,966	\$ 1,063,389	\$ 54,106	\$ 22,070	\$ 100,137	\$ 3,496,525	\$ 202,432	\$ 77,688	\$ 280,120	\$ 3,776,645
Payroll Taxes	12,998	169,539	10,963	94,836	4,404	1,916	8,817	\$ 303,472	17,500	5,510	23,010	326,482
Employee Benefits	28,782	373,293	30,704	157,123	7,703	5,258	14,735	\$ 617,598	35,812	14,711	50,523	668,121
	192,087	2,521,381	169,633	1,315,347.43	66,212	29,244	123,690	4,417,594	255,744	97,909	353,653	4,771,248
Subcontractors	-	-	-	382,456.55	-	-	-	382,457	-	-	-	382,457
Program Expenses	4,583	12,756	4,260	146,938.38	29,740	91,473	9,688	299,439	15,582	3,605	19,187	318,626
Professional Fees	3,274	44,178	3,052	83,086.25	1,370	450	4,648	140,058	8,109	3,257	11,365	151,423
Travel and Meetings	2,480	77,111	7,864	17,463.51	3,791	138	3,233	112,080	6,365	299	6,664	118,744
Depreciation	754	9,075	625	7,582.10	267	106	312	18,721	1,079	327	1,406	20,127
Rent and Utilities	401	46,277	869	103,540.03	4,057	118	1,541	156,802	7,784	428	8,212	165,014
Supplies	305	8,519	294	45,857.27	109	39	130	55,252	1,050	150	1,200	56,452
Telephone	1,851	27,570	2,318	10,391.94	1,162	252	809	44,355	2,540	497	3,037	47,392
Printing	335	9,431	282	7,403.13	3,097	27	79	20,653	1,185	267	1,452	22,105
Insurance	1,580	18,832	1,291	15,170.54	562	212	850	38,498	2,218	657	2,874	41,372
Postage	10	3,991	282	654.58	8	65	8	5,018	291	397	689	5,706
Advertising	124	1,465	100	1,066.06	169	15	-	2,939	90	-	90	3,029
Staff Development	1,386	4,549	223	13,101.98	22	8	2,580	21,872	1,242	62	1,304	23,175
Membership and Dues	2,748	4,777	220	3,143.91	77	33	3,951	14,950	907	1,070	1,977	16,927
Miscellaneous	1,222	13,960	899	1,914.01	541	65	2	18,603	4,394	8,002	12,396	30,999
	\$ 213,140	\$ 2,803,872	\$ 192,213	\$ 2,155,118	\$ 111,182	\$ 122,245	\$ 151,520	\$ 5,749,290	\$ 308,579	\$ 116,928	\$ 425,507	\$ 6,174,797

*See accompanying notes to the financial statements.*

**CHILD CARE ACTION COUNCIL OF THURSTON COUNTY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services						Support Services				
	Parents as Teachers	Early Achievers	Infant Toddler and LAUNCH	ECEAP	Raising a Reader & Safe Kids Coalition	Other Programs	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries	\$ 147,246	\$ 1,795,950	\$ 131,117	\$ 966,025	\$ 52,520	\$ 60,555	\$ 3,153,414	\$ 200,083	\$ 73,196	\$ 273,278	\$ 3,426,692
Payroll Taxes	12,452	152,533	11,124	191,186	4,112	4,546	375,954	17,080	5,804	22,885	398,839
Employee Benefits	28,489	339,809	23,779	84,875	10,035	6,421	493,406	38,026	13,498	51,524	544,930
	188,187	2,288,292	166,020	1,242,086	66,667	71,522	4,022,774	255,189	92,498	347,687	4,370,461
Subcontractors	3,961	46,521	3,668	83,461	7,593	5,732	150,935	9,472	1,816	11,288	162,224
Program Expenses	7,031	22,271	100	75,050	30,916	64,024	199,391	10,499		10,499	209,891
Fundraising Expenses	-			-			-	312	4,990	5,302	5,302
Travel and Meetings	5,163	60,318	5,289	7,357	1,056	1,248	80,431	5,008	322	5,329	85,760
Depreciation	512	6,261	462	12,605	203	201	20,243	736	263	999	21,242
Rent and Utilities	2,580	42,852	441	7,382	3,122	1,319	57,696	3,584	104	3,688	61,384
Supplies	255	9,332	157	2,181	121	77	12,123	758	93	850	12,973
Telephone	1,304	23,578	1,675	4,383	1,146	376	32,461	2,049	579	2,628	35,089
Printing	349	8,501	307	5,691	5,783	296	20,927	1,302	70	1,372	22,299
Insurance	1,450	15,380	1,184	9,531	510	407	28,462	1,809	711	2,520	30,982
Postage	4	2,851	22	371	54	113	3,416	216	66	282	3,699
Advertising	155	2,556	172	1,357	91	509	4,840	309	140	449	5,289
Staff Development	2,743	7,602	1,270	3,352	22	10	14,999	936	90	1,026	16,024
Membership & Dues	2,121	3,873	336	2,338	83	609	9,360	660	1,290	1,951	11,311
Miscellaneous	550	9,256	878	3,142	915	3,954	18,695	3,604	760	4,365	23,060
	\$ 216,364	\$ 2,549,443	\$ 181,980	\$ 1,460,287	\$ 118,283	\$ 150,396	\$ 4,676,754	\$ 296,443	\$ 103,794	\$ 400,237	\$ 5,076,991

ECEAP - Early Childhood Education Assistance Program

See accompanying notes to the financial statements.

**CHILD CARE ACTION COUNCIL OF THURSTON COUNTY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 1,682	\$ (35,314)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	20,127	12,605
<b>Change in operating assets and liabilities:</b>		
Cash and investments, restricted	21,539	-
Grants receivable	47,081	(147,879)
Self insurance reserve account	3,410	(16,606)
Prepaid expenses and other assets	(23,143)	(6,119)
Accounts payable	(123,294)	(3,577)
Accrued payroll liabilities, vacation	37,217	(21,055)
Accrued contract payroll	14,590	(40,833)
Deferred revenue - contracts	(21,539)	(96,000)
Net cash change in operating activities	<u>(22,330)</u>	<u>(354,778)</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments and certificates of deposit	12,536	239,909
Purchase of fixed assets	132,772	7,154
Net cash change in investing activities	<u>145,308</u>	<u>247,063</u>
Net change in cash and cash equivalents	122,978	(107,715)
Cash and cash equivalents, beginning of period	240,064	347,779
Cash and cash equivalents, end of period	<u>\$ 363,043</u>	<u>\$ 240,064</u>

*See accompanying notes to the financial statements.*

CHILD CARE ACTION COUNCIL OF THURSTON COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

**Note 1. Description of Organization**

Child Care Action Council of Thurston County (the Organization), established in 1987, is a nonprofit organization in Olympia WA. They also maintain satellite offices in Bremerton WA and Port Angeles WA. The Organization promotes and nurtures early learning communities where families and children thrive. Programs are conducted in the following six Washington counties: Clallam, Grays Harbor, Jefferson, Kitsap, Mason and Thurston. The Organization has national accreditation through the National Association of Child Care Resource and Referral Agencies.

The programs focus on the following:

- *Child care resource and referral* – a program providing a six-county resource bank for providers and parents.
- *Early Childhood Education Assistance Program (ECEAP)* – A free early learning child care or preschool program to support child development and health, provide family support and facilitate parent involvement.
- *Early learning coalitions* – a program providing leadership, infrastructure and resources for coalitions formed in six counties/regions (Clallam/Jefferson, Grays Harbor, Mason, Thurston, Visions for Early Learning and Olympic-Kitsap Peninsula Early Learning Coalition).
- *Raising a Reader* – a program which focuses on early literacy development and parent-child bonding through reading.
- *Safe Kids Thurston County* – a program providing injury prevention education and resources, such as helmets, car seat fittings, loaning life jacket program, and school pedestrian safety resources.
- *Margie's Crisis Nursery* – a program providing emergency child care services in a safe, secure location.
- *Block Fest* – a program providing early learning parent-child engagements that are held at numerous community events.
- *Parent education* – a program to facilitate “intentional play” groups, literacy events and resource sharing.
- *Child care professional development academy* – a program to conduct training primarily directed toward licensed child care center staff and family home providers.
- *Infant/toddler consultation services* – a program to provide technical assistance to licensed child care providers to support educating and caring for children.

Management and general activities include the functions necessary to provide support for the Organization's program activities. They include activities that provide governance (Board of Directors), oversight business management, financial recordkeeping, budgeting, legal services, human resource management, and similar functions that ensure an adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

## **Note 2. Significant Accounting Policies**

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (US GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

### ***Basis of accounting***

The Organization prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

### ***Use of estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

### ***Cash and cash equivalents***

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

### ***Grants receivable***

Grants receivable is primarily unsecured non-interest-bearing amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

### ***Investments***

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

### ***Fixed assets***

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Some property was obtained with grant monies. The Federal and State government funded property retains a reversionary interest to the grantor(s). Such assets may be reclaimed at the program end or if the use of the property changes from the original intent, or the grantor may relinquish title to the organization. The organization does not intend to change the use of the properties acquired with such funds.

#### ***Accrued contract payroll***

Teachers work ten months a year and are paid over twelve months. At June 30, 2025 and 2024, the Organization has a liability of the two months, July and August, that is earned by the teachers but not yet paid.

#### ***Deferred revenue - contracts***

Deferred revenue consists of money received in advance from one grantor. Money is restricted to approved expenditures related to that grant. The release is also approved by the grantor.

#### ***Net assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

*Net Assets with Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The Organization reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

#### ***Revenue and revenue recognition***

Grant revenue is recognized when the qualifying costs are incurred under cost-reimbursement and fee-for-service contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the (Federal) Office of Management and Budget's audit requirements for federal awards and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

#### ***Expense recognition and allocation***

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program(s) and supporting services benefited. The consolidated 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, depreciation, and amortization, which

are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

#### **Tax status**

The Organization is organized as Washington State nonprofit corporations and have been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction, and have been determined not to be private foundations. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, and may be subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes, if applicable.

#### **Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets

#### **Note 3. Liquidity and Availability**

The Organization strives to maintain liquid financial assets sufficient to cover a minimum of 90 days of general expenditures. As of June 30, 2025, the Organization's liquid assets that would be sufficient to cover approximately six months of general expenditures. In addition to the financial assets available to meet general expenditures over a six-month period, Child Care Action Council operates with a near-balanced budget and anticipates sufficient revenue to cover general expenditures. When losses are budgeted, it is for board approved strategic investments in agency programs.

The following table reflects Child Care Action Council's financial assets as of June 30, reduced by the amounts that are not available to meet general expenditures.

	2025	2024
Financial assets available to meet cash needs		
Cash and cash equivalents	\$ 661,294	\$ 559,854
Investments	580,797	593,334
Grants receivable	861,190	908,271
Total financial assets	<u>2,103,281</u>	<u>2,061,459</u>
Less restricted cash	(298,251)	(319,790)
Financial assets available to meet cash needs	<u>\$ 1,805,030</u>	<u>\$ 1,741,669</u>

The above table reflects contract-based deferred revenue funds (restricted cash) as unavailable because it is the Organization's agreement to utilize those funds for specific programs.

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term money market and certificates of deposit investments.

#### **Note 4. Fair Value Measurements**

Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation

technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

Investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. The Organization invests in Certificates of Deposit (CDs) traded in the financial markets. Those CDs and U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2.

The Organization uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

## Note 5. Investments

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at June 30:

	2025 Total	Quoted Prices in Active Markets for Identical Assets			Significant Other Observable Inputs			Significant Unobservable Inputs		
		Level 1		Level 2		Level 3				
		\$	186,777	\$	186,777	\$	-	\$	-	\$
Certificates of deposit	\$ 186,777	\$	-	\$	186,777	\$	-	\$	-	\$
Money market funds	609,259		609,259							
Bond funds	-		-							
Equity funds	-		-							
Exchange traded funds	104,551		104,551							
	900,587		713,810		186,777					
Less restricted investments portion	(319,790)		(298,251)							
	\$ 580,797	\$	415,559	\$	186,777	\$		\$		\$

	2024 Total	Fair Value Measurements at Report Date Using					
		Quoted Prices in Active Markets for Identical Assets			Significant Other Observable Inputs		
		Level 1		Level 2		Level 3	
Certificates of deposit	\$ 184,454	\$	-	\$	184,454	\$	-
Money market funds	115,973		115,973				
Bond funds	29,294		29,294				
Equity funds	482,456		482,456				
Exchange traded funds	100,947		100,947				
	913,124		728,670		184,454		
Less restricted investments portion	(319,790)		(319,790)				
	\$ 593,334	\$	408,880	\$	184,454	\$	-

The Organization uses the following ways to determine the fair value of its instruments:

**Certificates of deposit:** Determination of fixed-maturity certificates of deposit are estimated using the rates currently offered for deposits of similar remaining maturities.

**Money market funds:** Determined by the published NAV per unit at the end of the last trading day of the year, this is the basis for transactions at that date.

**Bond funds:** Determined by the published NAV per unit at the end of the last trading day of the year, this is the basis for transactions at that date.

**Equity securities traded on national securities exchanges:** Determined by the closing price on the last business day of the fiscal year.

**Exchange traded funds:** Determined by the published closing price on the last trading day of the fiscal year.

## **Note 6. Grants Receivable**

Grants receivable is due from governmental agencies for services provided under grants and contracts. The Organization considers the amounts fully collectible.

Grants receivable consisted of the following at June 30:

	2025	2024
Child Care Aware of Washington	\$ 699,412	\$ 719,160
Educational Service District 113	-	124,012
Washington Department of Children, Youth & Families	150,168	48,972
Other	11,610	16,127
	<u>\$ 861,190</u>	<u>\$ 908,271</u>

## **Note 7. Fixed Assets**

Fixed assets consisted of the following at June 30:

	2025	2024
Property and equipment		
Building	\$ 190,655	\$ 190,646
Building improvements	175,013	175,013
Vehicles	121,030	
Furniture and equipment	37,476	44,698
	<u>524,174</u>	<u>410,357</u>
Less accumulated depreciation	(173,770)	(153,643)
Property and equipment, net	350,404	256,714
Land	93,895	93,895
	<u>\$ 444,299</u>	<u>\$ 350,609</u>

## **Note 8. Operating Leases Commitments**

The Organization has adopted the accounting policy election of not recognizing right-of-use assets and lease liabilities arising from short-term leases for any class of underlying assets. The Organization leases property in Olympia, Bremerton and Port Angeles under month-to-month contracts or for a term of twelve months. The rent expense was \$108,758 and \$51,016 for the years ended June 30, 2025 and 2024, respectively.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Organization entered into a twenty-four (24) month lease, with one year option to extend, from April 2025 to March 2027 for child care services in Olympia. The future minimum lease payments are \$91,653 for the year ended June 30, 2025.

## **Note 9. Employee Benefits**

The Organization sponsors a tax-deferred annuity plan (the Plan) qualified under IRC Section 403(b) covering substantially all regular employees. The plan provides that employees who have attained the age of 18 are automatically enrolled in employee contribution starting at 3% and increasing annually to 8%. The employee has the option to opt-out of contributing or freezing their contribution at a set amount, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year.

The Organization paid 8% and 8% of employee salary into two employee retirement accounts for the years ended June 30, 2025 and 2024, respectively. Contributions totaled \$273,079 and \$253,068, for the years ended June 30, 2025 and 2024, respectively.

## **Note 10. Self-Funded Unemployment Insurance**

The Organization is self-insured for purposes of unemployment compensation. The Organization has recorded an estimated liability for unemployment compensation claims totaling \$9,568 and \$3,310 for the years ended June 30, 2025 and 2024, respectively, which is included in accrued payroll liabilities. Management believes the Organization has made adequate provision in the accompanying financial statements for all claims incurred through June 30, 2025 and 2024, respectively.

## **Note 11. Concentration of Risk**

The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risk. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts report in the financial statements. Management is of the opinion that the diversification of the invested assets among the various asset classes should mitigate the impact of changes in any one class.

## **Note 12. Subsequent Events**

Management of the Organization has evaluated events and transactions occurring after June 30, 2025, through the date of this report, the date the financial statements were available for issuance, for recognition or disclosure in the financial statements. There were no events and transactions that require recognition and disclosures in the financial statements.

**SUPPLEMENTARY REPORTS AND SCHEDULES  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
AND THE UNIFORM GUIDANCE**

**CHILD CARE ACTION COUNCIL OF THURSTON COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal ALS Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Sub- recipients</b>	<b>Total Federal Expenditures</b>	<b>Major Program</b>
<b>U.S. Department of Agriculture</b>					
Passed through Office of Superintendent of Public Instruction					
Child and Adult Care Food Program	<b>10.558</b>	0071-2122	n/a	<u>\$ 70,659</u>	
<b>Total U.S. Department of Agriculture</b>				\$ 70,659	
<b>U.S. Department of Transportation</b>					
Passed through Washington Traffic Safety					
Safe Kids Thurston County	<b>20.616</b>	Safe Kids Thurston County Community Education Event	n/a	<u>2,619</u>	
<b>Total U.S. Department of Transportation</b>				2,619	
<b>U.S. Department of Health and Human Services</b>					
Passed through WA Department of Children, Youth and Families					
Safe Kids Thurston County Community Education Event	<b>93.243</b>		n/a	16,000	
Passed through WA Department of Children, Youth and Families					
Infant Toddler Regional Systems and Serv.	<b>93.575</b>	14-1066		202,453	x
Passed through WA Department of Children, Youth and Families to Child Care Aware of WA					
Child Care Development Block Grant	<b>93.575</b>	Coaching	n/a	38,500	x
Child Care Development Block Grant	<b>93.575</b>	Trainings	n/a	239,343	x
Child Care Development Block Grant	<b>93.575</b>	Provider updates	n/a	2,210	x
Child Care Development Block Grant	<b>93.575</b>	Infant Mental Health	n/a	<u>313,312</u>	x
Passed through Department of Children, Youth and Families					
Crisis Respite Exploration and Planning	<b>93.590</b>	25-1160		16,199	
<b>Total U.S. Department of Health and Human Services</b>				<u>828,017</u>	
<b>TOTAL FEDERAL AWARDS EXPENDED</b>				<u>\$ 901,295</u>	

CHILD CARE ACTION COUNCIL OF THURSTON COUNTY  
FOOTNOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Child Care Action Council of Thurston County under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 US 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 Child Care Action Council of Thurston County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Child Care Action Council of Thurston County.

**Note 2. Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Child Care Action Council of Thurston County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



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

Independent Auditors' Report

To the Board of Directors  
Child Care Action Council of Thurston County  
Olympia, Washington

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 financial statements of Child Care Action Council of Thurston County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 27, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Child Care Action Council of Thurston County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Child Care Action Council of Thurston County's internal control. Accordingly, we do not express an opinion on the effectiveness of the Child Care Action Council of Thurston County's internal control.

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

Our consideration of internal control was for the limited purpose described 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 Child Care Action Council of Thurston County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters 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.

A handwritten signature in black ink that reads "Lindley & Associates LLC". The signature is fluid and cursive, with "Lindley" and "Associates" on the first line and "LLC" on the second line.

Lindley & Associates LLC

Bellevue WA

January 27, 2026



## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

### Independent Auditors' Report

To the Board of Directors  
Child Care Action Council of Thurston County  
Olympia WA

#### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Child Care Action Council of Thurston County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Child Care Action Council of Thurston County's major federal programs for the year ended June 30, 2025. Child Care Action Council of Thurston County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Child Care Action Council of Thurston County 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 June 30, 2025.

#### ***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Child Care Action Council of Thurston County 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. Our audit does not provide a legal determination of Child Care Action Council of Thurston County'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 Child Care Action Council of Thurston County's federal programs.

## ***Auditor's 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 Child Care Action Council of Thurston County'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 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 Child Care Action Council of Thurston County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Child Care Action Council of Thurston County'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 Child Care Action Council of Thurston County'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, but not for the purpose of expressing an opinion on the effectiveness of Child Care Action Council of Thurston County'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 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 will not be prevented, or detected and corrected, on a timely basis.

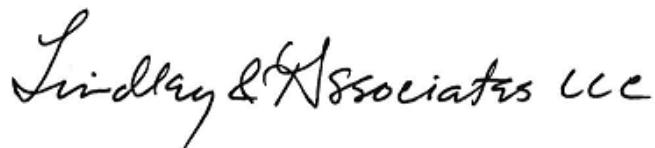
We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item Finding 2025-1 to be a significant deficiency.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lindley & Associates LLC". The signature is fluid and cursive, with "Lindley" and "Associates" connected by a flourish, and "LLC" written in a smaller, separate area.

Lindley & Associates LLC  
Bellevue WA  
January 27, 2026

CHILD CARE ACTION COUNCIL OF THURSTON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025

**I – SUMMARY OF AUDITORS' RESULTS**

Type of auditors' report issued on whether the  
Financial statements audited were prepared

In accordance with GAAP:  Unmodified

Internal control over financial reporting:

Material weakness(es) identified:  yes  no

Significant deficiency identified  
that are not considered to be material  
weakness(es)?  yes  no

Noncompliance material to the financial  
statements noted?  yes  no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified:  yes  no

Significant deficiency identified  
that are not considered to be  
material weakness(es) ?  yes  no

Type of auditors' report issued on compliance  
for major federal award programs:  Modified

Any audit findings disclosed that are required to be  
reported in accordance with 2 CFR 200.516(a)?  yes  no

Identification of major programs:

CFDA Name of Federal Program or Cluster

21.027 Coronavirus State & Local Fiscal Recovery Funds

Dollar threshold used to distinguish between  
Type A and Type B programs:  \$750,000

Auditee qualified as low-risk auditee:  yes  no

CHILD CARE ACTION COUNCIL OF THURSTON COUNTY  
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025

**II      Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards**

None

**III      Findings and Questioned Costs for Federal Awards**

Significant Deficiency in Internal Control over Major Program

Finding 2025-01

Finding related to major federal awards required to be reported in accordance with 2 CDR-20.516(b):

Condition: During the audit procedures, we reviewed the Federal Clearinghouse (FCH) Audit Search Database for the required audit filings. We note that while the report had been fully entered, the auditee failed to perform the final submission step in error for the year ended June 30, 2023. The auditee did not realize the final step had not been performed. The audit for the year ended June 30, 2024, was not a Single Audit performed under the Uniform Guidance, and therefore, not required to file an audit report for that year.

Cause: The FCH submission procedures substantially changed in that filing year and an error was made in the final step of the submission.

Criteria:

(a) *General.*

(1) The audit, the data collection form, and the reporting package must be submitted within 30 calendar days after the auditee receives the auditor's report(s) or nine months after the end of the audit period (whichever is earlier). . .

d) *Submission to FAC.* The auditee must electronically submit the data collection form described in paragraph (b) of this section and the reporting package described in paragraph (c) of this section to the FAC. . . .

Effect: Required federal filings were not performed in the required time frame. The auditee immediately corrected upon discovery.

Recommendation: We recommend the auditee, upon completing the file stage of submission, perform a final step of accessing the submission screen as a final review the process has been completed.



Promoting and nurturing early learning communities  
where families and children thrive.

January 20 2026

Re: Corrective action plan for the year ended June 30, 2023

Child Care Action Council of Thurston County submitted the following corrective plan for the year ending June 30, 2023

Name and address of independent accounting firm:

Lindley & Associates LLC  
One Lake Bellevue Dr Unit 110  
Bellevue WA 98005-2417

Audit Period July 1, 2022, to June 30, 2023

Contact person responsible for corrective action: Brian Cole Director of Finance and Operations.

Finding 2028-01

Condition: During the audit procedures, we reviewed the Federal Clearinghouse (FCH) Audit Search Database for the required audit filings. We note that while the report had been fully entered, the auditee failed to perform the final submission step in error for the year ended June 30, 2023. The auditee did not realize the final step had not been performed. The audit for the year ended June 30, 2024, was not a Single Audit performed under the Uniform Guidance, and therefore, not required to file an audit report for that year.

Cause: The FCH submission procedures substantially changed in that filing year and an error was made in the final step of the submission.

Effect: Required federal filings were not performed in the required time frame. The auditee immediately corrected upon discovery.

Response:

CCAC has updated its internal control procedures requiring two individuals to monitor the submission procedure to ensure that they are submitted on time.

A handwritten signature in blue ink that reads "Gary Burris".

Gary Burris  
Executive Director

A handwritten signature in blue ink that reads "Brian Cole".

Brian Cole  
Director of Finance