

COMMUNITY BRIDGES

(A Private, Non-Profit Organization)

Annual Financial Report

Fiscal Year Ended June 30, 2014

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

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KAKU & MERSINO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Bridges

Report on the Financial Statements

We have audited the accompanying financial statements of Community Bridges (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Bridges as of June 30, 2014, 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

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 and supplementary information (pages 15-31) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *CDE Audit Guide*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and in conformity with the CDE Audit Guide issued by the California Department of Education 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 December 10, 2014, on our consideration of Community Bridges' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Bridges' internal control over financial reporting and compliance.

Kaku + Mersino, LLP

KAKU & MERSINO, LLP

December 10, 2014

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

ASSETS

Cash and Cash Equivalents	\$	160,025
Investments		410,053
Grant Receivables		1,325,352
Other Receivables		229,786
Inventories		17,301
Prepaid Expenses		95,103
Deposits		33,587
Deposit in Escrow		148,500
Property and Equipment, net		<u>811,998</u>
TOTAL ASSETS	\$	<u>3,231,705</u>

LIABILITIES

Accounts Payable and Accrued Expenses	\$	264,152
Salaries and Benefits Payable		652,650
Deferred Revenue		60,171
Notes Payable		<u>200,497</u>
TOTAL LIABILITIES		<u>1,177,470</u>

NET ASSETS

Unrestricted		1,688,449
Temporarily Restricted		<u>365,786</u>
TOTAL NET ASSETS		<u>2,054,235</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>3,231,705</u>

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

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Total
SUPPORT and REVENUE			
Support			
Grant Revenues	\$ 12,748,040	\$ -	\$ 12,748,040
Foundations and other institutions	209,822		209,822
Donations/contributions	441,411	5,753	447,164
Total support	<u>13,399,273</u>	<u>5,753</u>	<u>13,405,026</u>
Revenue			
Service fees	3,429,637		3,429,637
Interest	7,628	3	7,631
Other income	106,645		106,645
Total revenue	<u>3,543,910</u>	<u>3</u>	<u>3,543,913</u>
Net assets released from restrictions	17,231	(17,231)	-
TOTAL SUPPORT and REVENUE	<u>16,960,414</u>	<u>(11,475)</u>	<u>16,948,939</u>
EXPENSES			
Program Services			
Women, Infants, and Children (WIC)	2,454,352		2,454,352
Child & Adult Care Food Program	4,354,477		4,354,477
Transportation Services - Lift Line	1,451,498		1,451,498
Senior Nutrition Meals on Wheels	1,405,276		1,405,276
Child Development Division	1,788,612		1,788,612
La Manzana Community Resource Center	701,920		701,920
Live Oak Family Resource Center	330,963		330,963
Beach Flats/Familia Center	440,614		440,614
Mountain Community Resources	401,554		401,554
Senior CBAS Elderday	1,615,045		1,615,045
Total Program Services	14,944,311	-	14,944,311
Supporting Services			
Management and General	1,328,642		1,328,642
Fund Development	86,721		86,721
Total Supporting Services	1,415,363	-	1,415,363
TOTAL EXPENSES	<u>16,359,674</u>	<u>-</u>	<u>16,359,674</u>
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	<u>600,740</u>	<u>(11,475)</u>	<u>589,265</u>
Depreciation Grant Funded Assets	(115,562)	-	(115,562)
INCREASE/(DECREASE) IN NET ASSETS	485,178	(11,475)	473,703
NET ASSETS, BEGINNING OF YEAR	<u>1,203,271</u>	<u>377,261</u>	<u>1,580,532</u>
NET ASSETS, END OF YEAR	<u>\$ 1,688,449</u>	<u>\$ 365,786</u>	<u>\$ 2,054,235</u>

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

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	PROGRAM SERVICES					
	Women, Infants & Children (WIC)	Child & Adult Care Food Program	Transportation Services - Lift Line	Senior Nutrition Meals on Wheels	Child Development Division	La Manzana Community Resource Center
EXPENSES						
Salaries and benefits	\$ 1,765,308	\$ 361,641	\$ 936,801	\$ 623,813	\$ 1,413,481	\$ 463,231
Day care home food payments	-	3,904,906	-	-	-	-
Building occupancy	212,164	30,797	57,883	95,090	96,935	53,799
Meals expense	-	-	-	374,560	61,930	-
Travel and transportation	28,135	9,381	67,511	39,937	6,627	3,874
Supplies and other misc expenses	82,701	12,186	5,626	13,302	25,741	13,889
Professional and contracted services	24,418	16,574	8,875	3,074	2,755	1,807
Vehicle expense	-	-	139,663	7,259	-	1,311
Insurance	6,812	1,270	75,221	15,132	13,830	4,278
Printing, advertising and dues	9,776	4,883	1,944	2,552	363	2,265
Telephone and communication	23,413	6,730	11,755	9,154	14,494	5,869
Minor equipment	16,607	427	289	2,292	-	4,156
Equipment rental & repair	2,219	1,050	26,277	7,974	2,009	10,097
Interest expense	-	-	-	-	-	-
Staff training	31,343	576	1,008	1,008	2,342	1,229
Contract services to other agencies	-	-	-	-	-	35,586
Taxes, licenses and bank fees	3,717	23	4,007	6,364	5,182	4,010
Depreciation	-	105	-	-	-	-
Administrative services	247,739	3,928	114,638	203,765	142,923	96,519
TOTAL EXPENSES	\$ 2,454,352	\$ 4,354,477	\$ 1,451,498	\$ 1,405,276	\$ 1,788,612	\$ 701,920

(Continued)

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

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	PROGRAM SERVICES				SUPPORTING SERVICES		
	Live Oak Family Resource Center	Beach Flats - Familia Centers	Mountain Community Resources	Senior CBAS Elderday	Management and General	Fund Development	Total
EXPENSES							
Salaries and benefits	\$ 215,759	\$ 312,487	\$ 235,147	\$ 677,972	\$ 993,488	\$ 36,273	\$ 8,035,401
Day care home food payments	-	-	-	-	-	-	3,904,906
Building occupancy	30,563	12,233	37,963	213,946	109,354	240	950,967
Meals expense	18	2,317	2,382	114,336	-	-	555,543
Travel and transportation	1,507	1,535	1,251	310,584	2,641	142	473,125
Supplies and other misc expenses	4,809	8,702	12,123	11,903	25,724	12,914	229,620
Professional and contracted services	11,092	8,122	27,794	32,237	118,086	13,541	268,375
Vehicle expense	-	-	-	-	-	-	148,233
Insurance	4,207	9,767	3,843	10,075	4,815	-	149,250
Printing, advertising and dues	1,896	1,181	651	1,372	18,119	8,353	53,355
Telephone and communication	5,374	5,470	6,458	2,456	9,224	925	101,322
Minor equipment	2,569	3,513	7,936	3,446	7,984	-	49,219
Equipment rental & repair	4,053	977	7,796	181	2,775	-	65,408
Interest expense	-	3,707	-	-	7,125	-	10,832
Staff training	63	235	225	1,450	2,639	120	42,238
Contract services to other agencies	-	-	-	-	100	-	35,686
Taxes, licenses and bank fees	3,820	2,425	598	1,066	14,953	2,747	48,912
Depreciation	-	4,224	-	-	5,606	-	9,935
Administrative services	45,233	63,719	57,387	234,021	6,009	11,466	1,227,347
TOTAL EXPENSES	\$ 330,963	\$ 440,614	\$ 401,554	\$1,615,045	\$ 1,328,642	\$ 86,721	\$16,359,674

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

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 473,703
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	125,497
(Increase) Decrease in Assets:	
Trading Securities	(44,412)
Grant Receivables	(73,742)
Other Receivables	104,014
Inventories	1,949
Prepaid Expenses	129,369
Deposits	(1,034)
Deposit in Escrow	(19,500)
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	(138,448)
Salaries and Benefits Payable	122,624
Deferred Revenue	(136,785)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>543,235</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of Property and Equipment	(451,103)
NET CASH USED BY INVESTING ACTIVITIES	<u>(451,103)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Borrowings on Line of Credit	1,510,000
Payments on Line of Credit	(1,460,000)
Payments on Debt	(5,387)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>44,613</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 136,745

BEGINNING CASH AND CASH EQUIVALENTS 23,280

ENDING CASH AND CASH EQUIVALENTS \$ 160,025

Supplemental Disclosures of Cash Flow Information:
Cash paid during year for interest \$7,631.

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

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 1. NATURE OF ACTIVITIES

Community Bridges (the Organization) is a not-for-profit organization that was incorporated in California in 1977. Its stated purpose is to organize, develop, and operate programs that provide meals, nutritional information, transportation, day care, and related services to low-income children, the elderly, and other eligible persons in the local area. The Organization is both publicly and privately funded. The Organization has program contracts with both the federal and state governments as listed in the accompanying Schedule of Expenditures of Federal and State Awards and also receives funds from private donations and service contracts.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Organization consolidates related nonprofit corporations in which it has a controlling financial interest. The accompanying financial statements reflect the consolidation of the financial statements of the Familia Center. Program operations of Familia Center were acquired by Community Bridges. A building and related debt remain on Familia Center's financial statements.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The accounts of the organization are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers deposits in banks, and investments purchased with a maturity of three months or less to be cash equivalents. When required by funding sources, funds received specifically for program expenses are deposited in separate bank accounts.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments consist of securities. The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value in the Statement of Financial Position.

Grants Receivables and Other Receivables

Receivables are stated at face value as the probable uncollectible amounts are immaterial.

Property and Equipment

Contributed property and equipment are recorded at fair value on the date of donation. Contributions of property and equipment are recorded as unrestricted support, unless the donor stipulates how long the assets must be used.

Property and equipment purchased with agency funds are capitalized at cost and depreciated over the useful estimated lives of the asset using the straight-line method. Amortization of building improvements is based on the estimated useful life of the improvements. Depreciation and amortization expense is charged against operations. Expenditures for property and equipment in excess of \$5,000 are capitalized.

Property and equipment purchased with grant funds are depreciated using the straight-line method over the estimated useful life of the assets. Depreciation of these assets is charged against grant funded assets in the Statement of Activities.

In the event of a contract termination, certain funding sources require title to property and equipment previously purchased with grant funds revert to the funding source. Certain funding sources also limit the use of property and equipment for specific programs and require approval for disposition of property and equipment from the funding source.

Depreciation is calculated based on the following estimated useful lives:

<u>Type of Asset</u>	<u>Estimated Useful Life</u>
Furniture & Equipment	3-10 years
Vehicles	5 years
Leasehold Improvements	5-10 years
Buildings	30 years

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventories, consisting of food and consumable food service supplies, are valued at cost, which approximates market, on a first-in-first-out basis.

Income Tax Status

Community Bridges is a non-profit organization that is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). The Organization's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise become unconditional. Due to the nature of contributions, significant increases and decreases in net assets may occur. These significant fluctuations can arise as contributions are recognized as support in the fiscal period in which they are contributed, but the expense incurred with such contributions occur in a different period. Or, the contributions may be used to purchase property and equipment that is capitalized and depreciated over several periods.

Advertising

Advertising costs are expensed as incurred. Advertising costs totaling \$4,516 were expensed in the year ended June 30, 2014. There were no advertising costs capitalized during the year ended June 30, 2014.

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through December 10, 2014, the date the financial statements were available to be issued.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 3. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject Community Bridges to concentrations of credit risk consist principally of cash balances and grant receivables. Concentration of credit risk with respect to grant receivables are limited due to receivables being from government agencies.

Community Bridges maintains cash balances at eight financial institutions located in the county of Santa Cruz, California. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. No balances are in excess of insured limits as of June 30, 2014. Money market funds are neither insured nor guaranteed by FDIC.

Note 4. – CASH & CASH EQUIVALENTS

Cash and Cash Equivalents consist of the following at June 30, 2014:

	<u>Amount</u>
Cash	\$ 148,968
Money Market Funds	<u>11,057</u>
Total	<u>\$ 160,025</u>

Note 5. – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2014 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Mutual Funds	<u>\$ 410,053</u>	<u>\$ 410,053</u>

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Agency uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 6. PROPERTY & EQUIPMENT

Property & equipment are summarized by major classifications as follows:

Furniture & Equipment	\$ 896,473
Vehicles	1,615,563
Building	281,578
Leasehold Improvements	<u>328,137</u>
Total Property & Equipment	3,121,751
Less: Accumulated Depreciation	<u>(2,309,753)</u>
Property & Equipment, net	<u>\$ 811,998</u>

Depreciation amounted to \$115,562 for grant funded property and equipment, and \$9,935 for agency property and equipment for the year ended June 30, 2014. Equipment and building are pledged as collateral as disclosed in the Notes Payable.

Note 7. DEFINED CONTRIBUTION PLAN

The Agency has a defined contribution plan covering all employees who have one hour of service. The Agency contributed \$31,163 to the plan for all eligible employees who contributed a 1% salary match for the year ending June 30, 2014.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 8. COMMITMENTS AND CONTINGENCIES

In October 2010, Community Bridges entered into a real property lease/purchase agreement with San Lorenzo Valley School District. The purchase price of \$735,000 was determined based on a previous agreement with Mountain Community Resources. Community Bridges is obligated to make monthly escrow payments of \$1,500 to a title company until Community Bridges obtains financing. Title to the property will pass at the completion of escrow. Community Bridges is also obligated to make \$1,500 lease payments until the purchase price is paid in full.

<u>For the Year Ending June 30,</u>	<u>Escrow Payments</u>
2015	\$ 18,000
2016	18,000
2017	18,000
2018	18,000
2019	18,000
Thereafter	<u>498,000</u>
	<u>\$ 588,000</u>

Operating Leases:

The total rental expense incurred by the Agency for facilities during the year was \$574,890. The Agency also had miscellaneous equipment rental of \$9,570 for the year, which was expensed. Minimum future rental payments under noncancellable operating leases for each of the next 5 years in aggregate are:

<u>For the Year Ending June 30,</u>	
2015	\$ 343,662
2016	345,030
2017	247,145
2018	113,549
2019	0

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

Note 9. NOTES PAYABLE

Notes payable consist of the following at June 30, 2014:

	<u>Amount</u>
Line of credit with a financial institution in the amount of \$500,000. Interest rate is prime plus 1%, The line renews on September 9, 2015. The line is secured by equipment, inventory, receivables, and contains certain covenants.	\$ 125,000
Promissory note payable to a financial institution in monthly payments of principal and interest of \$758. Interest rate is 4.75%. Loan balance is due January 1, 2015 The note is secured by a building.	<u>75,497</u>
Total	<u>\$ 200,497</u>
Current Portion	<u>\$ 200,497</u>
Long Term Portion	<u>\$ 0</u>

Schedule of future minimum principal payments for each of the succeeding years ending June 30 are as follows:

2015	\$ 200,497
2016	0
2017	0
2018	0
2019	0
	<u>\$ 200,497</u>

KAKU & MERSINO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Community Bridges

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 Community Bridges (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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 December 10, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

KAKU & MERSINO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Community Bridges
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Bridges' 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kaku & Mersino, LLP

KAKU & MERSINO, LLP

December 10, 2014

KAKU & MERSINO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors of
Community Bridges

Report on Compliance for Each Major Federal Program

We have audited Community Bridges' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Community Bridges' major federal programs for the year ended June 30, 2014. Community Bridges' 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

Our responsibility is to express an opinion on compliance for each of Community Bridges' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Bridges' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Community Bridges 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, 2014.

(Continued)

Board of Directors
Community Bridges
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Report on Internal Control Over Compliance

Management of Community Bridges is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Bridges' 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Bridges' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kaku & Mersino, LLP

KAKU & MERSINO, LLP

December 10, 2014

COMMUNITY BRIDGES
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2014

Program Title	Federal Catalog Number	Program/ Contract Number	Program Expenses
Major Federal Programs			
U.S. Department of Agriculture:			
Passed through Area Agency on Aging for Santa Cruz and San Benito Counties:			
Summer Food Service Program for Children	10.559	44-9440-4T	\$ 47,010
Passed through Calif Association of Food Banks:			
Food Stamp Outreach (Cal Fresh Outreach)		12-0121/12-3055	23,706
Nutrition Education	10.561	10-10042	1,284
Passed through Calif State Dept of Health Services:			
Special Supplemental Food Program for			
Women, Infants and Children (WIC) 7-9/13	10.557	11-10444	719,599
Women, Infants and Children (WIC) 10/13-6/14	10.557	11-10444	1,648,234
USDA-Supplemental Nutrition Assistance Program (SNAP) 7-9/13	10.551	11-10160	31,900
USDA-Supplemental Nutrition Assistance Program (SNAP) 10/13-6/14	10.551	11-10160	57,124
Passed through County of Santa Cruz, Health Services Agency			
USDA-Supplemental Nutrition Assistance Program (SNAP)	10.551	3979	42,772
Passed through Calif Dept of Education:			
Child and Adult Care Food Program:			
Homes and Homes Administration 7-9/13	10.558	44-1733-4F	1,287,227
Homes and Homes Administration 10/13-6/14	10.558	44-1733-4F	2,977,708
Centers and Centers Admin-Children 7-9/13	10.558	44-1733-4A	29,665
Centers and Centers Admin-Adults 7-9/13	10.558	44-1733-4A	5,540
Centers and Centers Admin-Children 10/13-6/14	10.558	44-1733-4A	87,143
Centers and Centers Admin-Adults 10/13-6/14	10.558	44-1733-4A	46,896
U.S. Department of Health and Human Services:			
Passed through the City of Santa Cruz:			
Community Development and Block Grant-BFCC	93.569	83-10001	25,000
Community Development and Block Grant-Familia Ctr	93.569	Unknown	75,000
Passed through Area Agency on Aging for Santa Cruz & San Benito Counties:			
Special Programs for the Aging-Title IIIB-Transportation	93.044	1314-02	39,313
Special Programs for the Aging-Title IIIC1-Cong Meals	93.045	1314-02	161,537
Special Programs for the Aging-Title IIIC2-Home Delivery	93.045	1314-02	138,013
Food Donation Program:			
Nutrition Services Incentives Program - Congregate	93.053	1314-02	30,225
Nutrition Services Incentives Program - Home Deliv	93.053	1314-02	66,162
Passed through County of Santa Cruz:			
CARE Program (Ryan White CARE Act)	93.153	Unknown	8,400
Passed through Calif State Dept of Education			
Early Education and Support Division (formerly Child Devel Div)			
State Preschool	93.596	CSPP-3558	187,735
State Preschool	93.575	CSPP-3558	89,550

COMMUNITY BRIDGES
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2014

Program Title	Federal Catalog Number	Program/ Contract Number	Program Expenses
U.S. Federal Emergency Management Agency			
Federal Emergency Management Agency:			
Emergency Food & Shelter National Board Program:			
Home Delivered Meals	97.024	31-0892-014	\$ 16,293
Familia Center Meals	97.024	31-0892-014	2,125
U.S. Department of Transportation:			
Passed through Calif Dept of Transportation:			
Federal Transit Authority Section 5310	20.500	641519	18,447
Federal Transit Authority Section 5310	20.500		2,390
Federal Transit Authority Section 5310	20.500		446,653
U.S. Department of Transportation:			
Passed through Calif Dept of Transportation:			
Federal Transit Authority Section 5317-SD Jul-Dec 2013	20.521	642743	114,897
Federal Transit Authority Section 5317-SD Jan-Jun 2014	20.521	643726	56,988
Federal Transit Authority Section 5317-OOC Jul-Dec 2013	20.521	642742	107,591
Federal Transit Authority Section 5317-OOC Jan-Jun 2014	20.521	643710	105,669
Total Federal Financial Assistance			<u>8,697,796</u>
State Programs			
California Department of Aging:			
Title IIIC(1) - Congregate Meals		1314-02	157,928
Title IIIC(2) - Home Delivered Meals		1314-02	170,372
Passed through First Five of Santa Cruz County			
State Proposition 10/First Five - LMCR		12-13-008	222,553
State Proposition 10/First Five - MCR		12-13-009	54,595
State Proposition 10/First Five - Familia Ctr		13-14-024	1,513
Passed through City of Santa Cruz/Regional Transportation Commission			
Transportation Development Act-Paratransit CTSA		N/A	613,476
Early Education and Support Division (formerly Child Devel Div)			
State Preschool		CSPP-3558	830,385
Total State Financial Assistance			<u>2,050,822</u>
Total Federal and State Financial Assistance			<u><u>\$ 10,748,618</u></u>
California Department of Education additional reporting:			<u>Contract Amount</u>
State Preschool		CSPP-3558	\$ 1,164,124

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2014

Note A. SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

The accompanying schedule of expenditures of federal and state awards includes the grant activity of Community Bridges and is presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note B. CLAIM PREPARATION

Centers

Monthly CACFP claims are prepared in accordance with the total count - fixed percentage claiming method.

The "Total Count-Fixed Percentage" claiming method requires each Agency to accurately categorize enrollment data into free, reduced price, and base rate categories at least one time at the beginning of the fiscal year. The percentage for each category becomes the percentage used to determine reimbursement for the fiscal year. These percentages may be adjusted by the Agency to accurately categorize enrollment if material changes in the enrollment percentages occur during the fiscal year.

Day Care Homes

Monthly CACFP claims are prepared in accordance with the Tiering claims method.

A day care home sponsor must collect eligibility from each day care home provider under sponsorship. All providers are Tier II unless eligibility has been documented. A Tier I home is determined based on either the location of the home in an eligible area or by the provider's income. Sponsors must document the determination and keep on file as long as the classification is in effect plus three physical years.

Note C. PROPERTY

Property purchased with CDE contract are separately accounted for in a property management system.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014

A. SUMMARY OF AUDIT RESULTS

- The auditors' report expresses an unmodified opinion on the financial statements of Community Bridges
- No significant deficiencies were disclosed during the audit of the financial statements that are required to be reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of Community Bridges were disclosed during the audit.
- No significant deficiencies in internal control over major federal award programs during the audit is reported in the Independent Auditors' Report on Compliance for Each Major Program on Internal Control over Compliance Required by OMB Circular A-133. No material weaknesses are reported.
- The auditor's report on compliance for the major federal award programs for Community Bridges expresses an unmodified opinion on all major federal programs.
- The audit does not disclose any audit findings which the auditor is required to report under OMB Circular A-133 §.510(a).
- The programs tested as major programs included: CFDA No. 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); CFDA No. 20.500 Federal Transit – Capital Investment Grants; CFDA No. 93.044 Special Programs for the Aging – Title III, Part B – Grants For Supportive Services and Senior Centers; CFDA No. 93.045 – Special Programs for the Aging – Title III, Part C – Nutrition Services; CFDA No. 93.053 Nutrition Services Incentive Program.
- The threshold for distinguishing Types A and B programs was \$300,000.
- Community Bridges was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDITS

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None

D. STATUS OF PRIOR YEAR FINDINGS

None

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Child & Adult Care Food	CACFP Admin CDE Centers	CDE Child- Care Centers	Total CDE Child- Care Centers	Other Child- Care Centers	Adult Care Centers	Total Other Programs	Total
SUPPORT and REVENUE								
Support								
Child Development Funding	\$ -	\$ -	\$ 1,107,670	\$ 1,107,670	\$ -	\$ -	\$ -	\$ 1,107,670
Food Program	4,332,306	19,735	116,180	116,180	-	52,436	-	4,520,657
Other Grant Revenues	929	-	178,330	178,330	69,729	-	6,870,725	7,119,713
Foundations and other institutions	-	-	-	-	-	-	209,822	209,822
Donations/contributions	1,872	-	9,427	9,427	2,027	-	433,838	447,164
Interprogram Transfers	27,600	-	(19,735)	-	-	(7,865)	-	-
Total support	4,362,707	19,735	1,391,872	1,411,607	71,756	44,571	7,514,385	13,405,026
Revenue								
Service fees	-	-	97,401	97,401	131,590	-	3,200,646	3,429,637
Interest	-	-	-	-	-	-	7,631	7,631
Other income	1,314	-	6,369	6,369	6,500	-	92,462	106,645
Total revenue	1,314	-	103,770	103,770	138,090	-	3,300,739	3,543,913
Net assets released from restrictions	-	-	-	-	-	-	-	-
TOTAL SUPPORT and REVENUE	4,364,021	19,735	1,495,642	1,515,377	209,846	44,571	10,815,124	16,948,939
EXPENSES								
Salaries and benefits	341,906	19,735	1,216,886	1,236,621	196,595	33,589	6,226,690	8,035,401
Day care home food payments	3,904,906	-	-	-	-	-	-	3,904,906
Building occupancy	30,797	-	91,787	91,787	5,148	-	823,235	950,967
Meals expense	-	-	55,697	55,697	6,233	10,982	482,631	555,543
Travel and transportation	9,381	-	6,299	6,299	328	-	457,117	473,125
Supplies and other misc expenses	12,186	-	11,009	11,009	14,732	-	191,693	229,620
Professional and contracted services	16,574	-	1,832	1,832	923	-	249,046	268,375
Vehicle expense	-	-	-	-	-	-	148,233	148,233
Insurance	1,270	-	11,912	11,912	1,918	-	134,150	149,250
Printing, advertising and dues	4,883	-	270	270	93	-	48,109	53,355
Telephone and communication	6,730	-	12,978	12,978	1,516	-	80,098	101,322
Minor equipment	427	-	-	-	-	-	48,792	49,219
Equipment rental & repair	1,050	-	1,826	1,826	183	-	62,349	65,408
Interest expense	-	-	-	-	-	-	10,832	10,832
Staff training	576	-	2,024	2,024	318	-	39,320	42,238
Contract services to other agencies	-	-	-	-	-	-	35,686	35,686
Taxes, licenses and bank fees	23	-	3,862	3,862	1,320	-	43,707	48,912
Depreciation	105	-	-	-	-	-	9,830	9,935
Administrative services	3,928	-	104,062	104,062	38,861	-	1,080,496	1,227,347
TOTAL EXPENSES	4,334,742	19,735	1,520,444	1,540,179	268,168	44,571	10,172,014	16,359,674
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	29,279	-	(24,802)	(24,802)	(58,322)	-	643,110	589,265
Depreciation Grant Funded Assets	-	-	-	-	-	-	(115,562)	(115,562)
INCREASE/(DECREASE) IN NET ASSETS	29,279	-	(24,802)	(24,802)	(58,322)	-	527,548	473,703
NET ASSETS, BEGINNING OF YEAR	21,370	-	140,539	140,539	-	-	1,418,623	1,580,532
NET ASSETS, END OF YEAR	\$ 50,649	\$ -	\$ 115,737	\$ 115,737	\$ (58,322)	\$ -	\$ 1,946,171	\$ 2,054,235

See accompanying notes to supplementary information.

COMMUNITY BRIDGES
Combining Schedule of Expenditures by State Category
Fiscal Year Ended June 30, 2014

		CSPP-3558			
		Child Care Centers	Total Reimbursable	Non- Reimb.	Total
Expenditures:					
1000	Certified Salaries	\$ 774,026	\$ 774,026	\$ -	\$ 774,026
1100	Teachers Salaries	774,026	774,026		774,026
1300	Supervisors Salaries	-	-		-
2000	Classified Salaries	181,156	181,156	-	181,156
2100	Instructional Aides Salaries	-	-		-
2300	Clerical & Other Personnel Salaries	115,952	115,952		115,952
2400	Maintenance Personnel Salaries	-	-		-
2500	Food Service Personnel Salaries	65,204	65,204		65,204
2600	Transportation Personnel Salaries	-	-		-
3000	Employee benefits	281,440	281,440	-	281,440
3300	Old Age, Survivors, Disability & Health Ins	201,153	201,153		201,153
3500	State Unemployment Insurance	6,580	6,580		6,580
3600	Workers Compensation Insurance	73,707	73,707		73,707
4000	Books, Supplies, Food, and Transportation	67,237	67,237	-	67,237
4200	Other Books	-	-		-
4300	Instructional Supplies	11,540	11,540	-	11,540
4600	Pupil Transportation	-	-		-
4700	Food Services	55,697	55,697		55,697
5000	Contracted Services & Other Operating Expenses	130,445	130,445	1,814	132,259
5100	Contracts for Personal Services	783	783	1,050	1,833
5200	Travel, Conferences & Other Expenses	36,426	36,426	764	37,190
5400	Insurance	11,912	11,912		11,912
5500	Utilities & Housekeeping Services	28,176	28,176		28,176
5600	Contracts, Rents and Leases	53,148	53,148		53,148
5800	Legal, Election and Audit	-	-		-
6000	Sites, Buildings, New Equip & Equip Replacemen	-	-	-	-
6200	Buildings and Improvements	-	-		-
6400	New Equipment	-	-		-
6500	Equipment replacement	-	-		-
Expenses not otherwise classified: Direct Administrative		-	-		-
Administrative Grant Mgmt		-	-		-
Capital Outlay Revolving Fund Repayment		-	-		-
Startup/Close-down Expense		-	-		-
Indirect Cost at 7.24%		103,889	103,889	172	104,061
Subtotals		103,889	103,889	172	104,061
TOTAL EXPENDITURES		\$ 1,538,193	\$ 1,538,193	\$ 1,986	\$ 1,540,179

We have examined the claims filed for reimbursement and the original supporting records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

COMMUNITY BRIDGES
Reconciliation of CDE and GAAP Expenditures
Fiscal Year Ended June 30, 2014

	CSPP-3558			
	Child Care Centers	Total Reimbursable	Non- Reimb.	Total Program
Schedule of Expenditures by State Categories	\$ 1,538,193	\$ 1,538,193	\$ 1,986	\$ 1,540,179
Adjustment to Reconcile Difference in Reporting:				
None	0	0	0	0
Combining Statement of Activities (GAAP)	\$ 1,538,193	\$ 1,538,193	\$ 1,986	\$ 1,540,179

COMMUNITY BRIDGES

Combining Schedule of Equipment Expenditures Year Ended June 30, 2014

	Child and Adult Care Food	Child Care Pre-School CSPP-3558	Total Costs
Unit Cost under \$7,500 item:			
Item: None	\$ -	\$ -	\$ -
Unit cost over \$7,500 with CDD approval:			
Item: None	\$ -	\$ -	\$ -
Unit cost over \$7,500 without CDD approval:			
Item: None	\$ -	\$ -	\$ -
Total equipment expenditures	\$ -	\$ -	\$ -

COMMUNITY BRIDGES

Combining Schedule of Renovation and Repair Expenditures Year Ended June 30, 2014

	Child and Adult Care Food	Child Care Pre-School CSPP-3558	Total Costs
Unit Cost under \$10,000 item:			
Item: None	\$ -	\$ -	\$ -
Unit cost over \$10,000 with CDD approval:			
Item: None	\$ -	\$ -	\$ -
Unit cost over \$10,000 without CDD approval:			
Item: None	\$ -	\$ -	\$ -
Total renovation and repair expenditures	\$ -	\$ -	\$ -

COMMUNITY BRIDGES
COMBINING STATEMENT OF ADMINISTRATIVE COSTS
For the Year Ended June 30, 2014

		CSPP-3558	
	Child & Adult Care Food Program	Child Care Centers	Total Costs
Grants Management Salaries	\$ -	\$ 41,589	\$ 41,589
Accounting Manager Salary	-	5,288	5,288
Accounting Clerk Salaries	-	17,509	17,509
Administrative Salaries	-	5,088	5,088
Employee Benefits-Hlth/UI/401K	-	11,900	11,900
Payroll Taxes-FICA/WC	-	6,995	6,995
Books and Supplies	-	3,296	3,296
Contractual Services	-	7,842	7,842
Audit and Legal	-	2,563	2,563
Travel and Conference	-	273	273
Space Rent and Maint, Utils	-	10,313	10,313
Janitorial Services and Supplies	-	924	924
Insurance	-	498	498
Telephone and Internet	-	955	955
Printing and Copying	-	919	919
Indirect Costs	3,928	103,889	107,817
TOTAL	\$ 3,928	\$ 219,842	\$ 223,770

AUDITED ATTENDANCE AND FISCAL REPORT

for California State Preschool Programs

Agency Name: Community Bridges Vendor No. B671

Fiscal Year Ended: June 30, 2014 Contract No. CSPP-3558

Independent Auditor's Name: Kaku & Mersino, LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	-		-	1.1800	-
Full-time			-	1.0000	-
Three-quarters-time			-	0.7500	-
One-half-time	3,806		3,806	0.6172	2,349.063
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.4160	-
Full-time	1,473		1,473	1.2000	1,767.600
Three-quarters-time	-		-	0.9000	-
One-half-time	-		-	0.6172	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.2980	-
Full-time	27,607		27,607	1.1000	30,367.700
Three-quarters-time	71		71	0.8250	58.575
One-half-time	824		824	0.6172	508.573
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6172	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6172	-
TOTAL DAYS OF ENROLLMENT	33,781	-	33,781		35,051.511
DAYS OF OPERATION	245	-	245		
DAYS OF ATTENDANCE	33,781		33,781		

☐ NO NONCERTIFIED CHILDREN - Check this box, omit page 2, and continue to Section III if no noncertified children were enrolled in the program.

Comments - If necessary, attach additional sheets to explain adjustments:

AUDITED ATTENDANCE AND FISCAL REPORT for California State Preschool Programs

Agency Name: Community Bridges Vendor No. B671

Fiscal Year Ended: June 30, 2014 Contract No. CSPP-3558

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children.	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
DAYS OF ENROLLMENT					
<i>Three and Four Year Olds</i>					
Full-time-plus	-		-	1.1800	-
Full-time	217		217	1.0000	217.000
Three-quarters-time	-		-	0.7500	-
One-half-time	-		-	0.6172	-
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.4160	-
Full-time	-		-	1.2000	-
Three-quarters-time	-		-	0.9000	-
One-half-time	-		-	0.6172	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6172	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6172	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6172	-
TOTAL DAYS OF ENROLLMENT	217	-	217		217.000

Comments - If necessary, attach additional sheets to explain adjustments:

AUDITED ATTENDANCE AND FISCAL REPORT
for California State Preschool Programs

Agency Name: Community Bridges Vendor No. B671

Fiscal Year End: June 30, 2014 Contract No. CSPP-3558

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$96,208	\$19,972	\$116,180
County Maintenance of Effort (EC § 8279)			0
Other (Specify):			0
Other (Specify):			0
Subtotal	\$96,208	\$19,972	\$116,180
Transfer from Reserve			0
Family Fees for Certified Children Full-Day Program	90,968	176	91,144
Family Fees for Certified Children Part-Day Program	6,257		6,257
Interest Earned on Apportionments			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children		6,369	6,369
Head Start Program (EC § 8235(b))			0
Other (Local government grants, donations):	150,727	37,030	187,757
Other (Specify):			0
TOTAL REVENUE	\$344,160	\$63,547	\$407,707

SECTION IV - REIMBURSABLE EXPENSES

1000 Certificated Salaries	\$808,831	(\$34,805)	\$774,026
2000 Classified Salaries	162,166	18,990	181,156
3000 Employee Benefits	303,008	(21,568)	281,440
4000 Books and Supplies	72,221	(4,984)	67,237
5000 Services and Other Operating Expenses	134,413	(3,968)	130,445
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (<i>program-related</i>)			0
6500 Replacement Equipment (<i>program-related</i>)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs. Rate: 7.24% (Rate is Self-Calculating)	107,169	(3,280)	103,889
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$1,587,808	(\$49,615)	\$1,538,193
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$222,096	(\$2,254)	\$219,842

FOR CDE-A&I USE ONLY:

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:

Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):

☒ YES

☐ NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

☒ YES

☐ NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheets to explain adjustments:

☒ NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 4 if there are no supplemental revenues or expenses to report.

AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Agency Name: Community Bridges

Fiscal Year End: June 30, 2014

Vendor No. B671

Independent Auditor's Name: Kaku & Mersino, LLP

RESERVE ACCOUNT TYPE (Check One):

- ☒ Center Based
☐ Resource and Referral
☐ Alternative Payment

COLUMN A	COLUMN B	COLUMN C
PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	PER AUDIT

LAST YEAR:

1. Beginning Balance (must equal ending balance from Last Year's AUD 9530-A)	\$0	\$0	\$0
2. Plus Transfers from Contracts to Reserve Account (based on last year's post-audit CDFS 9530, Section IV):			
Contract No.	\$0	\$0	\$0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred from Contracts to Reserve Account	0	0	0
3. Less Excess Reserve to be Billed (enter as a positive amount any excess amount calculated by CDFS on last year's post-audit CDFS 9530)	\$0		\$0
4. Ending Balance on Last Year's Post-Audit CDFS 9530	\$0	\$0	\$0

THIS YEAR:

5. Plus Interest Earned This Year on Reserve Funds (column A must agree with this year's CDFS 9530-A, Section II)	\$0	\$0	\$0
6. Less Transfers to Contracts from Reserve Account (column A amounts must agree with this year's CDFS 9530-A, Section III; and column C amounts must be reported on this year's AUD forms for respective contracts):			
Contract No.	\$0		\$0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred to Contracts from Reserve Account	0	0	0
7. Ending Balance on June 30, 2014 (column A must agree with this year's CDFS 9530-A, Section IV)	\$0	\$0	\$0

COMMENTS - If necessary, attach additional sheets to explain adjustments: