

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

Annual Financial Report

Fiscal Year Ended June 30, 2015

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, 2015, 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, 2015, 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 15-33) 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 7, 2015, 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 7, 2015

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS

Cash and Cash Equivalents	\$ 251,923
Investments	546,240
Grant Receivables	1,134,479
Other Receivables	238,097
Inventories	18,328
Prepaid Expenses	101,095
Deposits	44,630
Deposit in Escrow	166,500
Property and Equipment, net	<u>697,651</u>
TOTAL ASSETS	<u><u>\$ 3,198,943</u></u>

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 370,959
Salaries and Benefits Payable	606,434
Deferred Revenue	163,657
Notes Payable	<u>71,630</u>
TOTAL LIABILITIES	<u>1,212,680</u>

NET ASSETS

Unrestricted	1,570,362
Temporarily Restricted	<u>415,901</u>
TOTAL NET ASSETS	<u>1,986,263</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,198,943</u></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, 2015

	Unrestricted	Temporarily Restricted	Total
SUPPORT and REVENUE			
Support			
Grant Revenues	\$ 12,004,108	\$ -	\$ 12,004,108
Foundations and other institutions	221,159		221,159
Donations/contributions	491,938	920	492,858
Total support	<u>12,717,205</u>	<u>920</u>	<u>12,718,125</u>
Revenue			
Service fees	3,422,250	25,543	3,447,793
Interest	6,596	23,652	30,248
Other income	50,395		50,395
Total revenue	<u>3,479,241</u>	<u>49,195</u>	<u>3,528,436</u>
Net assets released from restrictions	-	-	-
TOTAL SUPPORT and REVENUE	<u>16,196,446</u>	<u>50,115</u>	<u>16,246,561</u>
EXPENSES			
Program Services			
Women, Infants, and Children (WIC)	2,401,441		2,401,441
Child & Adult Care Food Program	4,278,170		4,278,170
Transportation Services - Lift Line	1,445,712		1,445,712
Senior Nutrition Meals on Wheels	1,454,059		1,454,059
Child Development Division	1,728,560		1,728,560
La Manzana Community Resources	685,975		685,975
Live Oak Family Community Resources	306,788		306,788
Nueva Vista Community Resources	407,869		407,869
Mountain Community Resources	375,261		375,261
Senior CBAS Elderday	1,673,186		1,673,186
Total Program Services	14,757,021	-	14,757,021
Supporting Services			
Management and General	1,297,278		1,297,278
Fund Development	125,992		125,992
Total Supporting Services	1,423,270	-	1,423,270
TOTAL EXPENSES	<u>16,180,291</u>	<u>-</u>	<u>16,180,291</u>
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	<u>16,155</u>	<u>50,115</u>	<u>66,270</u>
Depreciation Grant Funded Assets	<u>(134,242)</u>	<u>-</u>	<u>(134,242)</u>
INCREASE/(DECREASE) IN NET ASSETS	(118,087)	50,115	(67,972)
NET ASSETS, BEGINNING OF YEAR	<u>1,688,449</u>	<u>365,786</u>	<u>2,054,235</u>
NET ASSETS, END OF YEAR	<u>\$ 1,570,362</u>	<u>\$ 415,901</u>	<u>\$ 1,986,263</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, 2015

	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 Resources
EXPENSES						
Salaries and benefits	\$ 1,740,073	\$ 377,678	\$ 926,318	\$ 617,117	\$ 1,366,287	\$ 440,612
Day care home food payments	-	3,818,195	-	-	-	-
Building occupancy	236,256	29,178	57,290	97,421	101,891	55,573
Meals expense	-	-	-	398,322	63,222	139
Travel and transportation	19,009	9,164	53,409	53,844	6,853	5,667
Supplies and other misc expenses	60,460	13,517	4,545	13,411	13,088	13,880
Professional and contracted services	17,365	13,382	6,621	4,509	1,260	3,517
Vehicle expense	-	-	124,560	12,610	-	1,847
Insurance	7,498	1,314	87,919	16,782	14,530	4,095
Printing, advertising and dues	7,027	4,358	2,080	2,242	1,466	2,186
Telephone and communication	25,650	4,823	13,912	12,224	15,696	5,861
Minor equipment	18,781	1,193	4,434	742	2,300	698
Equipment rental & repair	2,391	1,406	29,353	4,769	1,584	7,350
Interest expense	-	-	-	-	-	-
Staff training	20,898	1,465	572	981	1,510	1,107
Contract services to other agencies	-	-	-	-	-	46,554
Taxes, licenses and bank fees	2,006	76	3,494	8,246	5,171	4,281
Depreciation	-	-	-	-	-	-
Administrative services	244,027	2,421	131,205	210,839	133,702	92,608
TOTAL EXPENSES	\$ 2,401,441	\$ 4,278,170	\$ 1,445,712	\$ 1,454,059	\$ 1,728,560	\$ 685,975

(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, 2015

	PROGRAM SERVICES				SUPPORTING SERVICES		Total
	Live Oak Family Community Resources	Nueva Vista Community Resources	Mountain Community Resources	Senior CBAS Elderday	Management and General	Fund Development	
EXPENSES							
Salaries and benefits	\$ 189,837	\$ 283,755	\$ 237,566	\$ 703,329	\$ 1,017,388	\$ 36,199	\$ 7,936,159
Day care home food payments	-	-	-	-	-	-	3,818,195
Building occupancy	31,128	21,013	28,722	217,091	103,471	357	979,391
Meals expense	-	3,209	4,339	116,135	-	-	585,366
Travel and transportation	2,213	5,449	1,661	310,572	2,797	1,458	472,096
Supplies and other misc expenses	6,528	4,671	20,241	14,582	24,329	18,531	207,783
Professional and contracted services	12,993	3,783	11,594	49,382	94,848	37,108	256,362
Vehicle expense	-	-	-	-	-	-	139,017
Insurance	4,319	10,339	4,008	9,815	4,741	-	165,360
Printing, advertising and dues	1,702	1,142	859	1,427	14,809	7,716	47,014
Telephone and communication	6,033	7,082	6,241	4,057	9,900	805	112,284
Minor equipment	2,218	-	65	870	2,781	997	35,079
Equipment rental & repair	2,560	885	4,965	320	2,936	-	58,519
Interest expense	-	3,973	-	-	1,567	-	5,540
Staff training	1,385	197	212	2,269	1,194	2,293	34,083
Contract services to other agencies	-	-	110	-	100	-	46,764
Taxes, licenses and bank fees	4,213	1,095	930	901	10,111	2,259	42,783
Depreciation	-	4,224	-	-	3,980	-	8,204
Administrative services	41,659	57,052	53,748	242,436	2,326	18,269	1,230,292
TOTAL EXPENSES	\$ 306,788	\$ 407,869	\$ 375,261	\$1,673,186	\$ 1,297,278	\$ 125,992	\$16,180,291

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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (67,972)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	142,446
Gain on Sale of Assets	(10,500)
(Increase) Decrease in Assets:	
Trading Securities	(136,187)
Grant Receivables	190,873
Other Receivables	(8,311)
Inventories	(1,027)
Prepaid Expenses	(5,992)
Deposits	(11,043)
Deposit in Escrow	(18,000)
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	103,254
Salaries and Benefits Payable	(46,216)
Deferred Revenue	103,486
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>234,811</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of Property and Equipment	(24,546)
Proceeds Sale of Assets	10,500
NET CASH USED BY INVESTING ACTIVITIES	<u>(14,046)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowings on Line of Credit	870,000
Payments on Line of Credit	(995,000)
Payments on Debt	(3,867)
NET CASH USED BY FINANCING ACTIVITIES	<u>(128,867)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	91,898
BEGINNING CASH AND CASH EQUIVALENTS	<u>160,025</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 251,923</u></u>

Supplemental Disclosures of Cash Flow Information:
Cash paid during year for interest \$5,540.

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

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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, 2015

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, 2015

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 \$3,284 were expensed in the year ended June 30, 2015. There were no advertising costs capitalized during the year ended June 30, 2015.

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 7, 2015, the date the financial statements were available to be issued.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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. The amount in excess of insured limits as of June 30, 2015, total \$43,806. 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, 2015:

	<u>Amount</u>
Cash	\$ 243,544
Money Market Funds	<u>8,379</u>
Total	<u>\$ 251,923</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, 2015 are as follows:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)
Mutual Funds	<u>\$ 546,240</u>	<u>\$ 546,240</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, 2015

Note 6. PROPERTY & EQUIPMENT

Property & equipment are summarized by major classifications as follows:

Furniture & Equipment	\$ 891,042
Vehicles	1,263,393
Building	283,394
Leasehold Improvements	<u>328,137</u>
 Total Property & Equipment	 2,765,966
 Less: Accumulated Depreciation	 <u>(2,068,315)</u>
 Property & Equipment, net	 <u>\$ 697,651</u>

Depreciation amounted to \$134,242 for grant funded property and equipment, and \$8,204 for agency property and equipment for the year ended June 30, 2015. 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 \$36,564 to the plan for all eligible employees who contributed a 1% salary match for the year ending June 30, 2015.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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>
2016	\$ 18,000
2017	18,000
2018	18,000
2019	18,000
2020	18,000
Thereafter	<u>480,000</u>
	<u>\$ 570,000</u>

Operating Leases:

The total rental expense incurred by the Agency for facilities during the year was \$583,545. The Agency also had miscellaneous equipment rental of \$8,059 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>	
2016	\$ 343,021
2017	245,136
2018	113,549
2019	0
2020	0

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 9. NOTES PAYABLE

Notes payable consist of the following at June 30, 2015:

	<u>Amount</u>
Line of credit with a financial institution in the amount of \$500,000. Interest rate is prime plus 1.25%, The line renews on February 13, 2016. The line is secured by equipment, inventory, receivables, and contains certain covenants.	\$ 0
Promissory note payable to a financial institution in monthly payments of principal and interest of \$817. Interest rate is 5.5%. Loan balance is due December 1, 2024. The note is secured by a building.	<u>71,630</u>
Total	<u>\$ 71,630</u>
Current Portion	<u>\$ 5,983</u>
Long Term Portion	<u>\$ 65,647</u>

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

2016	\$ 5,983
2017	6,321
2018	6,678
2019	7,054
2020	7,453
Thereafter	<u>38,141</u>
	<u>\$ 71,630</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, 2015, 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 7, 2015.

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 7, 2015

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, 2015. 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, 2015.

(Continued)

Board of Directors
Community Bridges
Page 2

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 7, 2015

Community Bridges
Schedule of State and Federal Financial Assistance
For the Year Ended June 30, 2015

Program Title	Federal Catalog Number	Program/ Contract Number	Program Expenses
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	\$ 57,737
Passed through Calif Association of Food Banks:			
Food Stamp Outreach (Cal Fresh Outreach)	N/A	12-0121/12-3055	24,708
Passed through County of Santa Cruz, Health Services Agency			
Covered California Health Insurance Outreach	--	EW33935-01	26,968
Passed through Calif State Dept of Health Services:			
Special Supplemental Food Program for			
Women, Infants and Children (WIC) 7/14-9/14	10.557	11-10444	686,587
Women, Infants and Children (WIC) 10/14-6/15	10.557	14-10232	1,628,962
USDA-Supplemental Nutrition Assistance Program (SNAP)	10.551	11-10160	18,505
Passed through County of Santa Cruz, Health Services Agency			
USDA-Supplemental Nutrition Assistance Program (SNAP)	10.551	3979	73,686
Passed through Calif Dept of Education:			
Child and Adult Care Food Program:			
Homes and Homes Administration 7/14-6/15	10.558	44-1733-4F	4,218,409
Centers and Centers Administration 7/14-6/15	10.558	44-1733-4A	181,151
Homes Expansion 2/15-3/15	10.558	44-1733-4F	9,869
U.S. Department of Health and Human Services			
Passed through the City of Santa Cruz:			
Community Development and Block Grant-BFCC	93.569	N/A	25,000
Community Development and Block Grant-Familia Ctr	93.569	N/A	75,000
Passed through Area Agency on Aging for Santa Cruz & San Benito Counties:			
Special Programs for the Aging-Title IIIB-Transportation	93.044	1415-02	39,281
Special Programs for the Aging-Title IIIC1-Cong Meals	93.045	1415-02	205,012
Special Programs for the Aging-Title IIIC2-Home Delivery	93.045	1415-02	159,836
Food Donation Program:			
Nutrition Services Incentives Program - Congregate	93.053	1415-02	36,319
Nutrition Services Incentives Program - Home Deliv	93.053	1415-02	72,990
Passed through County of Santa Cruz:			
CARE Program (Ryan White CARE Act)	93.153	Unknown	10,584
Passed through Calif State Dept of Education			
Early Education and Support Division (formerly Child Devel Div)			
State Preschool	93.596	CSPP-4548	182,307
State Preschool	93.575	CSPP-4548	100,300
U.S. Federal Emergency Management Agency			
Federal Emergency Management Agency:			
Emergency Food & Shelter National Board Program:			
Home Delivered Meals	97.024	31-0892-014	18,253
Familia Center Meals	97.024	31-0892-014	2,181
U.S. Department of Transportation			
Passed through Calif Dept of Transportation:			
Federal Transit Authority Section 5310	20.500	614519	7,600

Community Bridges
Schedule of State and Federal Financial Assistance
For the Year Ended June 30, 2015

Program Title	Federal Catalog Number	Program/ Contract Number	Program Expenses
U.S. Department of Transportation			
Passed through Calif Dept of Transportation:			
Federal Transit Authority Section 5317-SD Jul-Dec 2014	20.521	643726	\$ 43,761
Federal Transit Authority Section 5317-SD Jan-Jun 2015	20.521	643730	18,990
Federal Transit Authority Section 5317-OOC Jul-Dec 2014	20.521	643710	94,331
Federal Transit Authority Section 5317-OOC Jan-Jun 2015	20.521	643729	21,104
Total Federal Financial Assistance			8,039,431
State Programs			
California Department of Aging:			
Title IIIC(1) - Congregate Meals		1415-02	137,003
Title IIIC(2) - Home Delivered Meals		1415-02	150,029
Passed through First Five of Santa Cruz County			
State Proposition 10/First Five - LMCR		14-15-074	229,230
State Proposition 10/First Five - MCR		14-15-075	56,233
State Proposition 10/First Five - Familia Ctr		MOU	675
Passed through City of Santa Cruz/Regional Transportation Commission			
Transportation Development Act-Paratransit CTSA		N/A	633,145
Early Education and Support Division (formerly Child Devel Div)			
State Preschool		CSPP-4548	<u>879,389</u>
Total State Financial Assistance			<u>2,085,704</u>
Total Federal and State Financial Assistance			<u><u>\$ 10,125,135</u></u>
California Department of Education additional reporting:			Contract Amount
State Preschool		CSPP-4548	\$ 1,238,160

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2015

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, 2015

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. 10.558 – Child and Adult Care Food Program (CACFP), and CFDA No. 93.575 – Child Care and Development Block Grant & 93.596 – Child Care Mandatory and Matching Funds of the Child Care and Development Fund.
- 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, 2015

	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	\$ -	\$ -	\$ 1,161,997	\$ 1,161,997	\$ -	\$ -	\$ -	\$ 1,161,997
Food Program	4,228,278	17,433	116,267	116,267	-	64,891	-	4,426,869
Other Grant Revenues	949	-	167,281	167,281	65,102	-	6,181,910	6,415,242
Foundations and other institutions	632	-	-	-	-	-	220,527	221,159
Donations/contributions	4,295	-	3,936	3,936	1,461	-	483,166	492,858
Interprogram Transfers	27,245	-	(17,433)	-	-	(9,812)	-	-
Total support	4,261,399	17,433	1,432,048	1,449,481	66,563	55,079	6,885,603	12,718,125
Revenue								
Service fees	1,667	-	103,598	103,598	108,978	-	3,233,550	3,447,793
Interest	-	-	-	-	-	-	30,248	30,248
Other income	(6,824)	-	41,207	41,207	892	-	15,120	50,395
Total revenue	(5,157)	-	144,805	144,805	109,870	-	3,278,918	3,528,436
Net assets released from restrictions	-	-	-	-	-	-	-	-
TOTAL SUPPORT and REVENUE	4,256,242	17,433	1,576,853	1,594,286	176,433	55,079	10,164,521	16,246,561
EXPENSES								
Salaries and benefits	377,678	17,433	1,220,986	1,238,419	145,301	44,459	6,130,302	7,936,159
Day care home food payments	3,818,195	-	-	-	-	-	-	3,818,195
Building occupancy	29,178	-	89,784	89,784	12,107	-	848,322	979,391
Meals expense	-	-	56,719	56,719	6,503	10,633	511,511	585,366
Travel and transportation	9,164	-	6,494	6,494	359	-	456,079	472,096
Supplies and other misc expenses	13,517	-	10,788	10,788	2,300	-	181,178	207,783
Professional and contracted services	13,382	-	1,054	1,054	206	-	241,720	256,362
Vehicle expense	-	-	-	-	-	-	139,017	139,017
Insurance	1,314	-	12,463	12,463	2,067	-	149,516	165,360
Printing, advertising and dues	4,358	-	1,193	1,193	273	-	41,190	47,014
Telephone and communication	4,823	-	13,847	13,847	1,849	-	91,765	112,284
Minor equipment	1,193	-	1,001	1,001	1,299	-	31,586	35,079
Equipment rental & repair	1,406	-	1,584	1,584	-	-	55,529	58,519
Interest expense	-	-	-	-	-	-	5,540	5,540
Staff training	1,465	-	1,220	1,220	290	-	31,108	34,083
Contract services to other agencies	-	-	-	-	-	-	46,764	46,764
Taxes, licenses and bank fees	76	-	4,197	4,197	974	-	37,536	42,783
Depreciation	-	-	-	-	-	-	8,204	8,204
Administrative services	2,421	-	104,095	104,095	29,607	-	1,094,169	1,230,292
TOTAL EXPENSES	4,278,170	17,433	1,525,425	1,542,858	203,135	55,092	10,101,036	16,180,291
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	(21,928)	-	51,428	51,428	(26,702)	(13)	63,485	66,270
Depreciation Grant Funded Assets	-	-	-	-	-	-	(134,242)	(134,242)
INCREASE/(DECREASE) IN NET ASSETS	(21,928)	-	51,428	51,428	(26,702)	(13)	(70,757)	(67,972)
NET ASSETS, BEGINNING OF YEAR	50,649	-	115,737	115,737	(58,322)	-	1,946,171	2,054,235
NET ASSETS, END OF YEAR	\$ 28,721	\$ -	\$ 167,165	\$ 167,165	\$ (85,024)	\$ (13)	\$ 1,875,414	\$ 1,986,263

See accompanying notes to supplementary information.

COMMUNITY BRIDGES
Reconciliation of CDE and GAAP Expenditures
Fiscal Year Ended June 30, 2015

	CSP-4548			
	Child Care Centers	Total Reimbursable	Non- Reimb.	Total Program
Schedule of Expenditures by State Categories	\$ 1,541,404	\$ 1,541,404	\$ 1,454	\$ 1,542,858
Adjustment to Reconcile Difference in Reporting:				
None	0	0	0	0
Combining Statement of Activities (GAAP)	<u>\$ 1,541,404</u>	<u>\$ 1,541,404</u>	<u>\$ 1,454</u>	<u>\$ 1,542,858</u>

COMMUNITY BRIDGES

Combining Schedule of Equipment Expenditures
Year Ended June 30, 2015

	Child and Adult Care Food	Child Care Pre-School CSPP-4548	Total Costs
Unit Cost under \$7,500 item:			
Dishwasher	\$ -	\$ 1,001	\$ 1,001
Unit cost over \$7,500 with CDD approval:			
Item: None	\$ -	\$ -	\$ -
Unit cost over \$7,500 without CDD approval:			
Item: None	\$ -	\$ -	\$ -
Total equipment expenditures	\$ -	\$ 1,001	\$ 1,001

COMMUNITY BRIDGES

Combining Schedule of Renovation and Repair Expenditures Year Ended June 30, 2015

	Child and Adult Care Food	Child Care Pre-School CSPP-4548	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, 2015

	Child & Adult Care Food Program	CSP-4548 Child Care Centers	Total Costs
Grants Management Salaries	\$ -	\$ 43,194	\$ 43,194
Accounting Manager Salary	-	5,704	5,704
Accounting Clerk Salaries	-	17,024	17,024
Administrative Salaries	-	5,480	5,480
Employee Benefits-Hlth/UI/401K	-	10,908	10,908
Payroll Taxes-FICA/WC	-	7,322	7,322
Books and Supplies	-	2,964	2,964
Contractual Services	-	6,007	6,007
Audit and Legal	-	3,840	3,840
Travel and Conference	-	302	302
Space Rent and Maint, Utils	-	10,191	10,191
Janitorial Services and Supplies	-	919	919
Insurance	-	511	511
Telephone and Internet	-	1,068	1,068
Printing and Copying	-	1,062	1,062
Indirect Costs	2,421	104,095	106,516
TOTAL	2,421	220,593	223,014

AUDITED ATTENDANCE AND FISCAL REPORT

for California State Preschool Programs

Agency Name: Community Bridges Vendor No. B671
 Fiscal Year Ended: June 30, 2015 Contract No. CSP-4548
 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	3,411		3,411	0.6172	2,105.269
<i>Exceptional Needs</i>					
Full-time-plus			-	1.4160	-
Full-time	1,656		1,656	1.2000	1,987.200
Three-quarters-time			-	0.9000	-
One-half-time			-	0.6172	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.2980	-
Full-time	27,526	1	27,527	1.1000	30,279.700
Three-quarters-time			-	0.8250	-
One-half-time	1,113		1,113	0.6172	686.944
<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	33,706	1	33,707		35,059.113
DAYS OF OPERATION	245		245		
DAYS OF ATTENDANCE	33,706	1	33,707		

NO NONCERTIFIED CHILDREN - Check box, omit page 2 & 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, 2015 Contract No. CSPP-4548

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
DAYS OF ENROLLMENT	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	435		435	1.0000	435.000
Three-quarters-time			-	0.7500	-
One-half-time	206	2	208	0.6172	128.378
<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	641	2	643		563.378

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, 2015 Contract No. CSPP-4548

	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	\$97,626	\$18,641	\$116,267
County Maintenance of Effort (EC § 8279)			0
Other (Specify):			0
Other (Specify):			0
Subtotal	\$97,626	\$18,641	\$116,267
Transfer from Reserve			0
Family Fees for Certified Children	102,760	838	103,598
Interest Earned on Apportionments			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children	17,849	4,837	22,686
Head Start Program (EC § 8235(b))			0
Other (Local governments grants, donations):	201,319	(11,581)	189,738
Other (Specify):			0
TOTAL REVENUE	\$419,554	\$12,735	\$432,289

SECTION IV - REIMBURSABLE EXPENSES			
1000 Certificated Salaries	\$762,890	(\$955)	\$761,935
2000 Classified Salaries	165,622	12,690	178,312
3000 Employee Benefits	300,880	(2,708)	298,172
4000 Books and Supplies	64,509	(679)	63,830
5000 Services and Other Operating Expenses	128,826	5,232	134,058
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (<i>program-related</i>)		1,001	1,001
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: 7.25% (Rate is Self-Calculating)	104,107	(12)	104,095
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$1,526,834	\$14,569	\$1,541,403
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$216,255	\$4,338	\$220,593

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 box and omit page 4 if there are no supplemental revenues or expenses to report.

**AUDITED ATTENDANCE AND FISCAL REPORT
for California State Preschool Programs**

Agency Name: Community Bridges Vendor No. B671

Fiscal Year End: June 30, 2015 Contract No. CSPP-4548

SECTION V - SUPPLEMENTAL REVENUE	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
Enhancement Funding			\$0
Other (Specify): COE QRIS	1,946		1,946
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL REVENUE	\$1,946	\$0	\$1,946

SECTION VI - SUPPLEMENTAL EXPENSES

EXPENSES RELATED TO SUPPLEMENTAL REVENUE	COLUMN A	COLUMN B	COLUMN C
1000 Certificated Salaries			\$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies	1,946		1,946
5000 Services and Other Operating Expenses			0
6000 Equipment/Other Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay			0
Other: e.g., Entertainment Expenses			0
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL EXPENSES	\$1,946	\$0	\$1,946

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

AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Agency Name: Community Bridges

Fiscal Year End: June 30, 2015

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
2. Plus Transfers from Contracts to Reserve Account (based on last year's post-audit CDFS 9530, Section IV):			
Contract No.			\$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
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
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
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, 2015 (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: