

COMMUNITY BRIDGES

(A Private, Non-Profit Organization)

Annual Financial Report

Fiscal Year Ended June 30, 2021

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, 2021, 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, 2021, 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 19-39) is presented for purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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. Also, in our opinion, the Measure D information is fairly stated in all material respects in relation to the financial statements as a whole, and the funds allocated to, and received by the Community Bridges' Measure D Funding were expended in conformance with applicable statutes, rules and regulations of Measure D and the agreement with Santa Cruz County Regional Transportation Commission for the year ended June 30, 2021.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021, 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, 2021

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

Cash and Cash Equivalents	\$ 3,785,150
Investments	1,113,743
Grant Receivables	1,957,063
Other Receivables	846,636
Inventories	23,785
Prepaid Expenses	239,324
Deposits	220,962
Property and Equipment, net	<u>7,910,142</u>
TOTAL ASSETS	<u><u>\$ 16,096,805</u></u>

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 1,137,405
Salaries and Benefits Payable	940,672
Refundable Advances	291,063
Reserve Fund - Transportation	542,984
Notes Payable	<u>4,311,876</u>
TOTAL LIABILITIES	<u>7,224,000</u>

NET ASSETS

Net Assets without Donor Restrictions	8,341,177
Net Assets with Donor Restrictions	<u>531,628</u>
TOTAL NET ASSETS	<u>8,872,805</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 16,096,805</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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT and REVENUE			
Support			
Grant Revenues	\$ 13,696,724	\$ -	\$ 13,696,724
Foundations and other institutions	1,522,966		1,522,966
Donations/contributions	1,247,491		1,247,491
Total support	16,467,181	-	16,467,181
Revenue			
Service fees	2,024,692		2,024,692
Interest	14,861	9,704	24,565
Other income	225,765	112,995	338,760
Total revenue	2,265,318	122,699	2,388,017
Net assets released from restrictions	34,665	(34,665)	-
TOTAL SUPPORT and REVENUE	18,767,164	88,034	18,855,198
EXPENSES			
Program Services			
Women, Infants, and Children (WIC)	1,897,280		1,897,280
Child & Adult Care Food Program	3,887,413		3,887,413
Transportation Services - Lift Line	1,591,519		1,591,519
Senior Nutrition Meals on Wheels	1,952,176		1,952,176
Child Development Division	1,692,981		1,692,981
Nueva Vista Community Resources	347,182		347,182
Live Oak Family Community Resources	343,669		343,669
Mountain Community Resources	607,710		607,710
La Manzana Community Resources	669,939		669,939
Senior CBAS Elderday	1,183,479		1,183,479
Total Program Services	14,173,345	-	14,173,345
Supporting Services			
Management and General	1,859,195		1,859,195
Other Services	303,503		303,503
Fund Development	259,487		259,487
Total Supporting Services	2,422,186	-	2,422,186
TOTAL EXPENSES	16,595,531	-	16,595,531
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	2,171,633	88,034	2,259,667
Increase in Grant Funded Assets	845,638		845,638
Depreciation Grant Funded Assets	(314,474)	-	(314,474)
INCREASE IN NET ASSETS	2,702,797	88,034	2,790,831
NET ASSETS, BEGINNING OF YEAR	5,638,380	443,594	6,081,974
NET ASSETS, END OF YEAR	\$ 8,341,177	\$ 531,628	\$ 8,872,805

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, 2021

PROGRAM SERVICES

	Women, Infants & Children (WIC)	Child & Adult Care Food Program	Transportation Services - Lift Line	Senior Nutrition Meals on Wheels	Child Development Division	Nueva Vista Community Resources	Live Oak Family Community Resources
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EXPENSES

Salaries and benefits	\$ 1,516,941	\$ 276,184	\$ 992,866	\$ 784,449	\$ 1,273,648	\$ 250,757	\$ 196,342
Food payments	-	3,559,785	-	-	-	-	-
Building occupancy	223,410	29,132	27,805	109,787	143,080	23,676	34,711
Meals expense	-	-	-	921,555	23,807	2,688	9,685
Travel and transportation	-	556	84,675	24,239	2,846	707	502
Supplies and other misc expenses	125,287	7,946	17,821	67,595	164,227	40,700	51,506
Professional and contracted servic	28,760	27,392	125,116	12,096	7,307	3,573	24,316
Vehicle expense	-	-	66,477	21,503	-	-	-
Insurance	10,343	2,067	85,564	19,681	16,855	9,509	1,512
Printing, advertising and dues	5,552	464	5,666	2,852	733	681	478
Telephone and communication	55,113	6,726	26,305	11,133	41,053	9,027	11,125
Equipment rental & repair	1,032	-	11,625	8,127	1,535	887	8,823
Interest expense	-	-	111,701	-	-	-	-
Staff training	19,167	120	-	495	9,296	125	125
Contract services to other agencie	-	-	-	-	-	-	-
Taxes, licenses and bank fees	3,100	637	11,887	3,563	5,917	568	4,544
Depreciation	27,181	-	24,011	-	2,677	4,284	-
Administrative services	342,724	59,924	236,564	329,684	150,892	56,465	57,336
Subtotal	2,358,610	3,970,933	1,828,083	2,316,759	1,843,873	403,647	401,005
Less Intercompany Transfers	(461,330)	(83,520)	(236,564)	(364,583)	(150,892)	(56,465)	(57,336)
TOTAL EXPENSES	\$ 1,897,280	\$ 3,887,413	\$ 1,591,519	\$ 1,952,176	\$ 1,692,981	\$ 347,182	\$ 343,669

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, 2021

	PROGRAM SERVICES			SUPPORTING SERVICES			Total
	Mountain Community Resources	La Manzana Community Resources	Senior CBAS Elderday	Management and General	Other Services	Fund Development	
EXPENSES							
Salaries and benefits	\$ 235,343	\$ 393,818	\$ 729,238	\$ 1,521,832	\$ 23,651	\$ 45,485	\$ 8,240,554
Day care home food payments	-	-	-	-	-	-	3,559,785
Building occupancy	18,987	61,796	250,772	88,192	165,646	-	1,176,994
Meals expense	-	-	6,858	-	-	-	964,593
Travel and transportation	1,906	2,263	1,545	51	215	57	119,562
Supplies and other misc expenses	281,616	46,163	69,113	69,243	4,506	24,040	969,763
Professional and contracted services	15,708	31,773	86,608	127,895	115	155,635	646,294
Vehicle expense	-	1,601	-	1,728	-	-	91,309
Insurance	4,486	5,815	15,828	14,499	3,395	117	189,671
Printing, advertising and dues	1,980	4,367	9,369	18,095	2	6,672	56,911
Telephone and communication	6,047	12,754	11,639	12,421	529	17,493	221,365
Equipment rental & repair	2,362	2,337	296	7,088	58	-	44,170
Interest expense	24,726	-	-	222	86,237	-	222,886
Staff training	125	125	548	35,420	-	729	66,275
Contract services to other agencies	-	142,441	-	600	-	-	143,041
Taxes, licenses and bank fees	1,091	1,362	8,150	11,366	8,378	9,259	69,822
Depreciation	13,333	10,993	-	25,914	10,771	-	119,164
Administrative services	100,704	94,755	202,176	2,625	-	43,207	1,677,056
Subtotal	708,414	812,363	1,392,140	1,937,191	303,503	302,694	18,579,215
Less Intercompany Transfers	(100,704)	(142,424)	(208,661)	(77,996)	-	(43,207)	(1,983,684)
TOTAL EXPENSES	\$ 607,710	\$ 669,939	\$ 1,183,479	\$ 1,859,195	\$ 303,503	\$ 259,487	\$ 16,595,531

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, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 2,790,831
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	433,638
(Increase) Decrease in Assets:	
Trading Securities	(245,680)
Grant Receivables	206,997
Other Receivables	(479,405)
Inventories	810
Prepaid Expenses	(47,384)
Deposits	(184,113)
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	(312,022)
Salaries and Benefits Payable	311,220
Refundable Advances	(1,116,583)
Reserve Fund - Transportation	338,770
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,697,079</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of Property and Equipment	(710,099)
NET CASH USED BY INVESTING ACTIVITIES	<u>(710,099)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Capital Lease	(1,355)
Payments on Debt	(306,620)
NET CASH USED BY FINANCING ACTIVITIES	<u>(307,975)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	679,005
BEGINNING CASH AND CASH EQUIVALENTS	<u>3,106,145</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 3,785,150</u></u>

Supplemental Disclosures of Cash Flow Information:
Cash paid during year for interest \$222,886.

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

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

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.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.
- Net Assets with Donor Restrictions – These net assets generally result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Cost Allocations

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied and that is also in accordance with guidance of any specific funding terms and conditions associated with the funding received. Allocated expenditures for shared costs include compensation and benefits, which are allocated either on the basis of actual time tracking or estimates of time and effort such as may be extrapolated from a time study. Costs such as contract services are allocated to the program which receives the benefit and may be further allocated based on clients, employees, or number of service units. Facility costs, including depreciation, are allocated based on square footage.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Grants Receivables and Other Receivables

Accounts receivable are amounts due from various agencies and entities for services performed under fee for service contracts. Grants receivable are amounts due from federal, state, or local funding sources for services performed under cost reimbursement contracts. Management considers all amounts to be fully collectible, and therefore, no allowance for doubtful accounts has been recorded in the accompanying financial statements.

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 Organization 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, 2021

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.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Advertising

Advertising costs are expensed as incurred. Advertising costs totaling \$13,745 were expensed in the year ended June 30, 2021. There were no advertising costs capitalized during the year ended June 30, 2021.

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, 2021, the date the financial statements were available to be issued.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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 five financial institutions located in the county of Santa Cruz, California. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2021, the uninsured cash balances totaled \$4,198,812. 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, 2021:

	<u>Amount</u>
Cash	\$ 3,689,853
Money Market Funds	<u>95,297</u>
Total	<u>\$ 3,785,150</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, 2021 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Mutual Funds	<u>\$ 1,113,743</u>	<u>\$ 1,113,743</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 Organization 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, 2021

Note 6. PROPERTY & EQUIPMENT

Property & equipment are summarized by major classifications as follows:

Buildings	\$ 6,042,849
Vehicles	2,375,938
Furniture & Equipment	1,246,626
Leasehold Improvements	<u>1,649,447</u>
Total Property & Equipment	11,314,860
Less: Accumulated Depreciation	<u>(3,404,718)</u>
Property & Equipment, net	<u>\$ 7,910,142</u>

Depreciation amounted to \$314,474 for grant funded property and equipment, and \$119,164 for Organization property and equipment for the year ended June 30, 2021. Equipment and building are pledged as collateral as disclosed on the notes payable.

Note 7. DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan covering employees who have six consecutive months of service from date of hire. The Organization contributed \$123,353 to the plan for all eligible employees who contributed a 4% salary match for the year ending June 30, 2021.

Note 8. COMPENSATED ABSENCES

Accumulated unpaid vacation is recognized as a liability of the Organization. The expenditure is recognized in the year to which the liability relates. The value of accumulated vacation at June 30, 2021 is \$428,773.

Note 9. RESERVE FUND - TRANSPORTATION

The reserve fund primarily consists of a facilities reserve and vehicle reserve, set aside from the County of Santa Cruz, voter approved 30-year Measure D sales tax, administered by the Santa Cruz County Regional Transportation Commission (RTC) for the Lift Line program of Community Bridges, a Consolidated Transportation Service Agency. The amount set aside is part of a 5-year master funding agreement, approved by the RTC and Community Bridges.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 10. NOTES PAYABLE

Notes payable consist of the following at June 30, 2021:

	<u>Amount</u>
Line of credit with a financial institution in the amount of \$650,000. Interest rate is prime plus 1.00%. The line renews on March 13, 2022. The line is secured by equipment, inventory, receivables, and contains certain covenants.	\$ 0
Promissory note of \$1,527,000 to a financial institution with 12 months interest only, then 48 monthly payments of \$8,656, followed by 60 monthly payments of \$9,165. Balloon payment due May 5, 2027. Swap variable interest rate currently at 4.625%. The note is secured by a building.	1,147,581
Promissory note payable with monthly payments of principal and interest of \$3,061. Interest rate is 5% per annum. The note is secured by a building.	481,276
Promissory note payable with monthly payments of principal and interest of \$3,548. Interest rate is 5% per annum. Balloon payment due June 1, 2022. The note is unsecured.	617,631
Promissory note payable with monthly payments of interest only \$4,167. Interest rate is 5% per annum. A balloon payment is due June 28, 2024. The note is secured by a building.	600,000
Promissory note payable to a financial institution in 107 monthly payments of principal and interest of \$11,482. Interest rate is 4.75%. Loan balance is due June 5, 2029. The note is secured by a building.	<u>1,465,388</u>
Total	<u>\$4,311,876</u>
Current Portion	<u>\$ 717,048</u>
Long Term Portion	<u>\$3,594,828</u>

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

2022	\$ 717,048
2023	104,147
2024	709,168
2025	114,431
2026	119,949
Thereafter	<u>2,547,133</u>
	<u>\$4,311,876</u>

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 11. COMMITMENTS AND CONTINGENCIES

Operating Leases:

The total rental expense incurred by the Organization for facilities during the year was \$416,002. The Organization also had miscellaneous equipment rental of \$3,650 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>	
2022	\$ 38,308
2023	9,000
2024	0
2025	0
2026	0

Note 12. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Financial assets at year-end	
Cash	\$ 3,785,150
Investments	1,113,743
Grants Receivable	1,957,063
Other receivable	<u>846,636</u>
Total Financial Assets	<u>\$ 7,702,592</u>
Less those unavailable for general expenditures within one year, due to:	
Refundable advances	(291,063)
Reserves restricted use	(542,984)
Donor restricted	(531,628)
Current portion long term debt	<u>(717,048)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,619,869</u>

Organization operations require maintenance of financial assets, which consist of cash to meet normal operating expenses. The Organization also has a line of credit in place in the amount of \$650,000 which it could draw upon in the event of any unanticipated liquidity needs.

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, 2021, 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, 2021.

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 Community Bridges' 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, 2021

KAKU & MERSINO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 Compliance Supplement* that could have a direct and material effect on each of Community Bridges' major federal programs for the year ended June 30, 2021. Community Bridges' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2021.

(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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kaku + Mersino, LLP

KAKU & MERSINO, LLP

December 10, 2021

COMMUNITY BRIDGES
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Program Title	Federal Catalog Number	Program/ Contract Number	Program Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture:				
Passed through Calif Dept of Education:				
Summer Food Service Program for Children	10.559	19B00116	81,319	
Passed through Calif Association of Food Banks:				
Food Stamp Outreach (Cal Fresh Outreach)	10.561	18-7013	87,853	
Passed through Calif State Dept of Health Services:				
Special Supplemental Food Program for				
Women, Infants and Children (WIC)	10.557	19-10140 A02	703,630	
Women, Infants and Children (WIC)	10.557	19-10140 A02	1,646,535	
Women, Infants and Children (WIC) Farmer's Market	10.557	19-10140 A02	2,273	
Passed through Calif Dept of Education:				
Child and Adult Care Food Program:				
Homes and Homes Administration	10.558	44-1733-4F	3,916,083	
Centers and Centers Administration Children	10.558	44-1733-4A	29,428	
Centers and Centers Administration Adults	10.558	44-1733-4A	553	
Total Department of Agriculture:			6,467,674	-
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	24,619	
Community Development and Block Grant-Familia Ctr	93.569	N/A	75,000	
Aging Cluster				
Passed through Area Agency on Aging for Santa Cruz & San Benito Counties:				
Special Programs for the Aging-Title IIIB-Transportation	93.044	1920-02	38,043	
Special Programs for the Aging-Title IIIC1-Cong Meals	93.045	2021-02	223,002	
Special Programs for the Aging-Title IIIC2-Home Delivery	93.045	2021-02	174,828	
Families First Coronavirus Aid Relief Act	93.045	FFCRA-2	41,400	
Families First Coronavirus Aid Relief Act	93.045	FFCRA-2	102,265	
CARES act Home Delivered Meals	93.045	2021-04-CARES	51,000	
Food Donation Program:				
Nutrition Services Incentives Program - Congregate	93.053	2021-02	29,642	
Nutrition Services Incentives Program - Home Deliv	93.053	2021-02	71,250	
Total Aging Cluster			731,430	-
Passed through Salud Para La Gente				
Covered California Health Insurance Education	93.525	15-N-57	14,190	
Passed through County of Santa Cruz:				
CARE Program (Ryan White CARE Act)	93.153	N/A	1,841	
Total U.S. Department of Health and Human Services:			847,080	-

COMMUNITY BRIDGES

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

U.S. Federal Emergency Management Agency

Federal Emergency Management Agency:

Emergency Food & Shelter National Board Program:

Home Delivered Meals	97.024	37-089200-013	5,765	
Home Delivered Meals (CARES ACT)	97.024	CARES-089200-013	8,151	
Nueva Vista Meals	97.024	33-089200-030	1,078	
			<hr/>	

Total U.S. Federal Emergency Management Agency:

14,994 -

U.S. Department of Transportation:

Passed through Calif Dept of Transportation:

Federal Transit Authority Section 5310-Equipment	20.500	64AC19-01153	160,546	
Federal Transit Authority Section 5310-Expanded	20.513	64AO18-00679	127,860	
			<hr/>	

Total U.S. Department of Transportation:

288,406 -

U.S. Department of Treasury

Coronavirus Relief Fund

Santa Cruz County Cares, Community Partner Capacity	21.019		1,038	
Santa Cruz County Cares, Community Partner Capacity	21.019		40,462	
Santa Cruz County Cares, Community Partner Capacity	21.019		748	
Santa Cruz County Cares, Community Partner Capacity	21.019		1,500	
Santa Cruz County Cares, Community Partner Capacity	21.019		6,000	
Santa Cruz County Cares, Community Partner Capacity	21.019		15,400	
Santa Cruz County Cares, Community Partner Capacity	21.019		16,300	
Santa Cruz County Cares, Community Partner Capacity	21.019		1,500	
Santa Cruz County Cares, Community Partner Capacity	21.019		1,500	
Santa Cruz County Cares, Community Partner Capacity	21.019		14,500	
Santa Cruz County Cares, Health Equity Partnership (p	21.019		50,000	

Passed through Local Initiatives Support Corp.

Emergency Rental Assistance Program	21.023	52529-0001	50,784	
			<hr/>	

Total U.S. Department of Treasury:

199,732 -

U.S. Housing of Urban Development

CDBG

Home Delivered Meals (passed thru City of Santa Cruz	14.218	B-20-MW-06-0024	76,648	
Home Delivered Meals (passed thru City of Watsonville	14.218	B-20-MW-06-0024	85,000	
Senior Center Without Walls (passed thru City of Santa	14.218	B-20-MW-06-0024	24,746	
			<hr/>	

Total Housing and Urban Development:

186,394 -

Total Federal Financial Assistance

\$ 8,004,280 \$ -

COMMUNITY BRIDGES
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Program Title	Program/ Contract Number	Program Expenditures	Expenditures to Subreipients
State Programs			
California Department of Aging:			
Title IIIC(1) - Congregate Meals	1920-02	\$ 28,615	
Title IIIC(1) - Congregate Meals	2021-02	100,998	
Title IIIC(2) - Home Delivered Meals	1920-02	92,394	
Title IIIC(2) - Home Delivered Meals	2021-02	306,031	
Passed through First Five of Santa Cruz County			
State Proposition 10/First Five - LMCR	20-21-002	163,022	
State Proposition 10/First Five - MCR	20-21-002	68,258	
State Proposition 10/First Five - LOCR	20-21-002	32,521	
Passed through City of Santa Cruz/Regional Transportation Commission Transportation Development Act-Paratransit CTSA			
	N/A	651,864	
Passed through City of Santa Cruz/Regional Transportation Commission State Transit Assistance (STA)			
	N/A	100,000	
Passed through the SC Co Office of Education QRIS Block Grant			
	MOU	15,000	
California Air Resources Board Lift Line Paratransit Dial-A-Ride Electric Vehicle Transition Program			
	G16-LDPL-06	46,324	
Low Carbon Transit Operations Program			
	99313	36,614	
Passed through the First Five of Santa Cruz County			
QCC-QRIS Block Grant	20-21-020	5,220	
QCC-QRIS Block Grant	20-21-039	7,800	
First Five Santa Cruz County FCC RND 3	FCC RND 3	3,445	
California Department of Education State Preschool			
	CSPP-0589	1,582,483	
Total State Financial Assistance		3,240,589	-
Total Federal and State Financial Assistance		\$ 11,244,869	\$ -

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2021

Note A. SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the grant activity of Community Bridges under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S., *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Community Bridges, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Bridges.

Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

Community Bridges does not use the 10 percent de minimis indirect cost rate.

Note B. CALIFORNIA DEPARTMENT OF EDUCATION FUNDING, TERMS & CONDITIONS

In accordance with the applicable requirements from the Funding Terms & Conditions:

1. Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and cash facilities owned or leased by the contractor. No interest expense was claimed to a child development contract for the year ended June 30, 2021.
2. All expenses claimed for reimbursement under a related rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. No related party rent expense was claimed as a reimbursable expense for the year ended June 30, 2021,
3. Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2021.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2021

Note C. 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 Organization 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 Organization 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.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021

A. SUMMARY OF AUDIT RESULTS

- The auditors' report expresses an unmodified opinion on whether the financial statements of Community Bridges were prepared in accordance with GAAP.
- No significant deficiencies were found during the audit of the financial statements that are required to be reported in the 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 were disclosed during the audit in the Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. 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.
- Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule, if any.
- The programs tested as major programs included: CFDA No. 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); 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 \$750,000.
- 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
 COMBINING STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2021

	Child & Adult Care Food	CDE Child- Care Centers	QRIS	Other Child- Care Centers	Adult Care Centers	Total Other Programs	Total
SUPPORT and REVENUE							
Support							
Child Development Funding	\$ -	\$ 1,582,483	\$ -	\$ -	\$ -	\$ -	\$ 1,582,483
Food Program	3,916,083	29,427	-	-	553	-	3,946,063
Other Grant Revenues	15,000	13,194	15,000	218,000	-	7,906,984	8,168,178
Foundations and other institutions	10,000	-	-	17,425	-	1,495,541	1,522,966
Donations/contributions	12,545	1,533	-	6,020	-	1,227,393	1,247,491
Total support	3,953,628	1,626,637	15,000	241,445	553	10,629,918	16,467,181
Revenue							
Service fees	-	12,685	-	89,913	-	1,922,094	2,024,692
Interest	-	-	-	-	-	24,565	24,565
Other income	33,107	124	-	2,813	-	302,716	338,760
Total revenue	33,107	12,809	-	92,726	-	2,249,375	2,388,017
Net assets released from restrictions	-	-	-	-	-	-	-
TOTAL SUPPORT and REVENUE	3,986,735	1,639,446	15,000	334,171	553	12,879,293	18,855,198
EXPENSES							
Salaries and benefits	276,184	1,140,675	14,946	118,027	226	6,690,496	8,240,554
Day care home food payments	3,559,785	-	-	-	-	-	3,559,785
Building occupancy	29,132	131,433	-	11,647	-	1,004,782	1,176,994
Meals expense	-	20,777	-	3,030	327	940,459	964,593
Travel and transportation	556	2,846	-	-	-	116,160	119,562
Supplies and other misc. expenses	7,946	140,792	54	21,187	-	799,784	969,763
Professional and contracted services	27,392	4,196	-	3,110	-	611,596	646,294
Vehicle expense	-	-	-	-	-	91,309	91,309
Insurance	2,067	14,476	-	2,379	-	170,749	189,671
Printing, advertising and dues	464	622	-	111	-	55,714	56,911
Telephone and communication	6,726	35,941	-	5,112	-	173,586	221,365
Equipment rental & repair	-	1,320	-	215	-	42,635	44,170
Interest expense	-	-	-	-	-	222,886	222,886
Staff training	120	8,030	-	1,266	-	56,859	66,275
Contract services to other agencies	-	-	-	-	-	143,041	143,041
Taxes, licenses and bank fees	637	4,963	-	942	-	63,280	69,822
Depreciation	-	2,677	-	-	-	116,487	119,164
Administrative services	59,924	115,847	-	34,681	-	1,466,604	1,677,056
Subtotal	3,970,933	1,624,595	15,000	201,707	553	12,766,427	18,579,215
Intercompany Eliminations	-	-	-	-	-	(1,983,684)	(1,983,684)
TOTAL EXPENSES	3,970,933	1,624,595	15,000	201,707	553	10,782,743	16,595,531
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	15,802	14,851	-	132,464	-	2,096,550	2,259,667
Increase in Grant Funded Assets	-	-	-	-	-	845,638	845,638
Depreciation Grant Funded Assets	-	-	-	-	-	(314,474)	(314,474)
INCREASE/(DECREASE) IN NET ASSETS	15,802	14,851	-	132,464	-	2,627,714	2,790,831
NET ASSETS, BEGINNING OF YEAR	16,126	82,879	-	220,777	-	5,762,192	6,081,974
NET ASSETS, END OF YEAR	\$ 31,928	\$ 97,730	\$ -	\$ 353,241	\$ -	\$ 8,389,906	\$ 8,872,805

COMMUNITY BRIDGES
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2021

		CSPP-0589 Child Care Centers	Total Reimbursable	QRIS	Other Funds	Non- Reimb.	Total Program
Expenditures:							
1000	Certified Salaries	\$ 793,764	\$ 793,764	\$ 13,353		\$ -	\$ 807,117
1100	Teachers Salaries	793,764	793,764	13,353			807,117
2000	Classified Salaries	124,524	124,524	-		-	124,524
2300	Clerical & Other Personnel Salaries	94,004	94,004				94,004
2500	Food Service Personnel Salaries	30,520	30,520				30,520
3000	Employee benefits	222,387	222,387	1,593		-	223,980
3300	Old Age, Survivors, Disability & Health Ins	187,985	187,985	1,022			189,007
3500	State Unemployment Insurance	11,649	11,649	231			11,880
3600	Workers Compensation Insurance	22,753	22,753	340			23,093
4000	Books, Supplies, Food, and Transportation	160,554	160,554	54		-	160,608
4300	Instructional Supplies	136,931	136,931	54			136,985
4700	Food Services	23,623	23,623				23,623
5000	Contracted Services & Other Operating Expenses	204,842	204,842	-		-	204,842
5100	Contracts for Personal Services	6,689	6,689			-	6,689
5200	Travel, Conferences & Other Expenses	15,471	15,471			-	15,471
5400	Insurance	14,476	14,476				14,476
5500	Utilities & Housekeeping Services	104,141	104,141				104,141
5600	Contracts, Rents and Leases	64,065	64,065				64,065
6000	Sites, Buildings, New Equip & Equip Replacement	-	-	-	-	-	-
6400	New Equipment	-	-				-
Expenses not otherwise classified:							
	Depreciation	2,677	2,677				2,677
	Indirect Cost at 10%	115,847	115,847			-	115,847
Subtotals		118,524	118,524	-		-	118,524
TOTAL EXPENDITURES		\$ 1,624,595	\$ 1,624,595	\$ 15,000	\$ -	\$ -	\$ 1,639,595

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 EXPENSE REPORTING
 FOR THE YEAR ENDED JUNE 30, 2021

	CSPP-0589 Child Care Centers	QRIS	Total Program
Combining Statement of Activities (GAAP)	\$ 1,624,595	\$ 15,000	\$ 1,639,595
Adjustment to Reconcile Difference in Reporting:			
None	-	-	-
Schedule of Expenditures by State Categories	\$ 1,624,595	\$ 15,000	\$ 1,639,595

Community Bridges
(A Private, Non-Profit Organization)
SCHEDULE OF CLAIMED EQUIPMENT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Child and Adult Care Food	Child Care Pre-School CSPP-0589	CDE Programs	Non-CDE Programs	Total
<u>Capitalized Equipment Expended on the AUD with Prior Written Approval</u>					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Capitalized Equipment Expended on the AUD without Prior Written Approval</u>					
	\$ -		\$ -		\$ -
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Community Bridges' capitalization threshold is \$5,000.

Community Bridges
(A Private, Non-Profit Organization)
SCHEDULE OF CLAIMED EXPENDITURES FOR RENOVATIONS & REPAIRS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Child and Adult Care Food	Child Care Pre-School CSPP-0589	CDE Programs	Non-CDE Programs	Total
<u>Unit Costs Under \$10,000 per Item</u>					
Depreciation on renovations for RM portable	\$ -	\$ 2,677	\$ 2,677	\$ -	\$ 2,677
Total	<u>\$ -</u>	<u>\$ 2,677</u>	<u>\$ 2,677</u>	<u>\$ -</u>	<u>\$ 2,677</u>
<u>Unit Costs \$10,000 or more per Item With Prior Written Approval</u>					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Unit Costs \$10,000 or more per Item Without Prior Written Approval</u>					
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ -</u>	<u>\$ 2,677</u>	<u>\$ 2,677</u>	<u>\$ -</u>	<u>\$ 2,677</u>

Note: Community Bridges' capitalization threshold is \$5,000.

COMMUNITY BRIDGES
SCHEDULE OF CLAIMED ADMINISTRATIVE COSTS
For the Year Ended June 30, 2021

	Child & Adult Care Food Program	CSPP-0589 Child Care Centers	Total Costs
Grants Management Salaries	\$ -	\$ 47,456	\$ 47,456
Accounting Salaries	-	42,134	42,134
CACFP Centers Consultant	-	4,413	4,413
Employee Benefits-Hlth/UI/401K	-	18,475	18,475
Payroll Taxes-FICA/WC	-	7,195	7,195
Indirect Costs	59,924	115,847	175,771
TOTAL	\$ 59,924	\$ 235,520	\$ 295,444

California Department of Education Audited Attendance and Fiscal Report for California State Preschool Programs

A U D 8501 Page 1 of 8

Fiscal Year Ending **June 30, 2021**

Contract Number **CSPP-0589**

Vendor Code **B671**

Full Name of Contractor **Community Bridges**

Section 1 - Days of Enrollment Certified Children

Enrollment Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	414		414	1.0000	414
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time	455		455	0.6193	281.7815
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time	638		638	1.5400	982.52
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time	93		93	0.9537	88.6941
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time	9,605		9,605	1.1000	10,565.5
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time	53		53	0.6193	32.8229

Full Name of Contractor **Community Bridges**

Section 1 - Days of Enrollment Certified Children (continued)

Enrollment Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
TOTAL DAYS OF ENROLLMENT	11,258		11,258	N/A	12,365.3185
DAYS OF OPERATION	240		240	N/A	N/A
DAYS OF ATTENDANCE	11,258		11,258	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 3 and 4) and continue to Revenue Section on page 5.

Full Name of Contractor **Community Bridges**

Section 3 - Revenue

Revenue Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	25,748	3,679	29,427
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal	25,748	3,679	29,427
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Transfer from Reserve Total			
Waived Family Fees for Certified Children (July - August)	9,333		9,333
Family Fees Collected for Certified Children (September - June)	12,809	-124	12,685
Waived Family Fees for Certified Children (September - June)			
Family Fees for Certified Children (September - June) - Subtotal	12,809	-124	12,685
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children			
Unrestricted Income - Head Start			
Unrestricted Income - Other: Local Govt. Grants and Misc	20,502	-5,651	14,851
Total Revenue	59,059	-2,096	56,963

Comments:

Full Name of Contractor **Community Bridges**

Section 4 - Reimbursable Expenses

Expense Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	794,800	-1,036	793,764
2000 Classified Salaries	129,217	-4,693	124,524
3000 Employee Benefits	201,157	21,230	222,387
4000 Books and Supplies	142,453	18,101	160,554
5000 Services and Other Operating Expenses	196,311	8,531	204,842
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance		2,677	2,677
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)	136,468	-20,621	115,847
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	1,600,406	24,189	1,624,595
Total Administrative Cost (included in Section 4 above)	235,121	399	235,520
Total Staff Training Cost (included in Section 4 above)			

Approved Indirect Cost Rate: **17.1%**

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Full Name of Contractor **Community Bridges**

Section 5 - Supplemental Revenue

Supplemental Revenue Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other: QRIS of Santa Cruz County	15,000		15,000
Other:			
Total Supplemental Revenue	15,000		15,000

Section 6 - Supplemental Expenses

Supplemental Expense Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	13,353		13,353
2000 Classified Salaries			
3000 Employee Benefits	1,647	-54	1,593
4000 Books and Supplies		54	54
5000 Services and Other Operating Expenses			
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
Total Supplemental Expenses	15,000	0	15,000

Full Name of Contractor **Community Bridges**

Section 7 - Summary

Summary Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	11,258		11,258
Days of Operation	240		240
Days of Attendance	11,258		11,258
Restricted Program Income	25,748	3,679	29,427
Transfer from Reserve			
Family Fees for Certified Children (September - June)	12,809	-124	12,685
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	1,600,406	24,189	1,624,595
Total Administrative Cost	235,121	399	235,520
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment **12,365.3185**

Total Non-Certified Adjusted Days of Enrollment **0**

Independent auditor's assurances on agency's compliance with the contract funding terms and conditions and program requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box): **Yes**

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): **Yes**

Include any comments in the comments box on page 5. If necessary, attach additional sheets to explain adjustments.

California Department of Education Audited Reserve Account Activity Report

Fiscal Year End

June 30, 2021

Reserve Account Type

Center-Based

Vendor Code

B671

A U D 9530A Page 1 of 1

Full Name of Contractor **Community Bridges**

Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2019-20 AUD 9530A Ending Balance)	0
2. Plus Transfers to Reserve Account:	Per 2019-20 Post-Audit CDNFS 9530
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Total Transferred from 2019-20 Contracts to Reserve	
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2019-20 Post-Audit CDNFS 9530	0

Section 2 - Current Year (2020-21) Reserve Account Activity

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve			
6. Less Transfers to Contracts from Reserve:			
CSPP General-Contract No.			
CSPP General-Contract No.			
CSPP Professional Development-Contract No.			
CSPP Professional Development-Contract No.			
Subtotal CSPP Transfers			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Subtotal Other Contract Transfers			
Total Transferred to Contracts from Reserve Account			
7. Ending Balance on June 30, 2021	0		0

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

COMMUNITY BRIDGES
STATEMENT OF FINANCIAL POSITION - MEASURE D FUNDING
JUNE 30, 2021

ASSETS

Current Assets		
Cash	\$	439,657
		<u>439,657</u>
Total Current Assets		<u>439,657</u>
		<u>439,657</u>
TOTAL ASSETS	\$	<u>439,657</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
	\$	-
		<u>-</u>
Total Current Liabilities		<u>-</u>
Other Liabilities		
Reserve Fund		439,657
		<u>439,657</u>
TOTAL LIABILITIES		<u>439,657</u>
Net Assets		
Net Assets without Donor Restrictions		-
		<u>-</u>
TOTAL NET ASSETS		<u>-</u>
		<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>439,657</u>

COMMUNITY BRIDGES
STATEMENT OF ACTIVITIES - MEASURE D FUNDING
FOR THE YEAR ENDED JUNE 30, 2021

Changes in Net Assets Without Donor Restrictions

Revenue and Support	
Measure D Funding	\$ 1,111,727
Interest Income	311
Transfer to Measure D Reserve Fund	(293,393)
TOTAL REVENUES AND SUPPORT	818,644
Expenses	
Driver Personnel	259,632
Driver Training	44,434
Admin Assistant/Dispatch	43,507
Outreach/Publicity	6,771
Consultants/Project Management	42,635
Operations Facility	379,380
Vehicle & Office Equipment	42,285
TOTAL EXPENSES	818,644
INCREASE/(DECREASE) IN NET ASSETS	-
NET ASSETS AT BEGINNING OF YEAR	-
NET ASSETS AT END OF YEAR	\$ -