COMMUNITY BRIDGES

(A Private, Non-Profit Organization)

Annual Financial Report

Fiscal Year Ended June 30, 2022

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

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KAKU & MERSINO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Community Bridges

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Community Bridges (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Bridges as of June 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Bridges and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Bridges' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Bridges' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 20-44) 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, 2022.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, 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 solely 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 the effectiveness of Community Bridges' 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

December 12, 2022

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COMMUNITY BRIDGES

(A Private, Non-Profit Organization)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS	
Cash and Cash Equivalents	$ 4,504,272
Investments	1,022,457
Grant Receivables	2,128,853
Other Receivables	931,988
Inventories	22,493
Prepaid Expenses	229,027
Deposits	128,664
Property and Equipment, net	9,891,125
TOTAL ASSETS	$ 18,858,879
LIABILITIES	
Accounts Payable and Accrued Expenses	$ 1,248,551
Salaries and Benefits Payable	876,627
Refundable Advances	966,843
Reserve Fund - Transportation	793,330
Notes Payable	5,378,083
TOTAL LIABILITIES	9,263,434
NET ASSETS	
Net Assets without Donor Restrictions	9,149,698
Net Assets with Donor Restrictions	445,747
TOTAL NET ASSETS	9,595,445
TOTAL LIABILITIES AND NET ASSETS	$ 18,858,879

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT and REVENUE			
Support			
Grant Revenues	$ 13,330,574	$ -	$ 13,330,574
Foundations and other institutions	1,181,911		1,181,911
Donations/contributions	1,161,153		1,161,153
Total support	15,673,638	-	15,673,638
Revenue			
Service fees	1,134,778		1,134,778
Interest	8,549	20,751	29,300
Other income	28,719	(81,134)	(52,415)
Total revenue	1,172,046	(60,383)	1,111,663
Net assets released from restrictions	25,498	(25,498)	-
TOTAL SUPPORT and REVENUE	16,871,182	(85,881)	16,785,301
EXPENSES			
Program Services			
Women, Infants, and Children (WIC)	1,951,684		1,951,684
Child & Adult Care Food Program	3,434,000		3,434,000
Transportation Services - Lift Line	1,720,882		1,720,882
Senior Nutrition Meals on Wheels	1,922,497		1,922,497
Child Development Division	1,755,706		1,755,706
Nueva Vista Community Resources	379,638		379,638
Live Oak Family Community Resources	350,232		350,232
Mountain Community Resources	473,599		473,599
La Manzana Community Resources	1,162,712		1,162,712
Senior CBAS Elderday	1,298,739		1,298,739
Total Program Services	14,449,689	-	14,449,689
Supporting Services			
Management and General	1,928,539		1,928,539
Other Services	309,060		309,060
Fund Development	322,767		322,767
Total Supporting Services	2,560,366	-	2,560,366
TOTAL EXPENSES	17,010,055	-	17,010,055
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	(138,873)	(85,881)	(224,754)
Increase in Grant Funded Assets	1,293,956		1,293,956
Depreciation Grant Funded Assets	(346,562)	-	(346,562)
INCREASE IN NET ASSETS	808,521	(85,881)	722,640
NET ASSETS, BEGINNING OF YEAR	8,341,177	531,628	8,872,805
NET ASSETS, END OF YEAR	$ 9,149,698	$ 445,747	$ 9,595,445

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, 2022

	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
EXPENSES							
Salaries and benefits	$ 1,615,227	$ 291,636	$ 1,063,955	$ 801,877	$ 1,323,373	$ 243,018	$ 212,731
Food payments	-	3,083,530	-	-	-	-	-
Building occupancy	231,511	29,037	33,656	116,256	181,619	29,026	37,734
Meals expense	1,815	-	-	864,683	22,176	-	-
Travel and transportation	106	900	117,081	23,171	3,563	515	650
Supplies and other misc expenses	77,681	11,407	15,812	47,897	115,979	60,114	69,241
Professional and contracted servic	37,099	28,792	88,939	26,313	42,851	7,880	5,216
Vehicle expense	-	169	126,598	19,080	-	-	-
Insurance	10,634	1,340	89,249	19,512	21,305	10,350	5,012
Printing, advertising and dues	3,515	2,619	11,624	3,921	3,044	3,817	2,625
Telephone and communication	43,764	6,775	14,640	11,723	26,587	9,545	11,180
Equipment rental & repair	1,859	-	993	12,657	3,545	943	656
Interest expense	-	-	100,092	-	-	-	-
Staff training	14,709	200	6,082	1,136	1,009	-	120
Contract services to other agencie	-	-	-	-	-	8,782	-
Taxes, licenses and bank fees	3,001	882	4,139	5,172	7,978	1,364	5,067
Depreciation	27,323	-	48,022	-	2,677	4,284	-
Administrative services	351,642	65,084	239,433	324,367	173,910	63,070	55,977
Subtotal	2,419,886	3,522,371	1,960,315	2,277,765	1,929,616	442,708	406,209
Less Intercompany Transfers	(468,202)	(88,371)	(239,433)	(355,268)	(173,910)	(63,070)	(55,977)
TOTAL EXPENSES	$ 1,951,684	$ 3,434,000	$ 1,720,882	$ 1,922,497	$ 1,755,706	$ 379,638	$ 350,232

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, 2022

	PROGRAM SERVICES			SUPPORTING SERVICES			
	Mountain Community Resources	La Manzana Community Resources	Senior CBAS Elderday	Management and General	Other Services	Fund Development	Total
EXPENSES							
Salaries and benefits	$ 238,465	$ 599,261	$ 822,034	$ 1,644,332	$ 41,650	$ 93,417	$ 8,990,976
Day care home food payments	-	-	-	-	-	-	3,083,530
Building occupancy	33,555	64,261	269,593	81,919	144,557	-	1,252,724
Meals expense	1,913	-	49,193	-	-	-	939,780
Travel and transportation	1,097	3,623	119,835	88	-	-	270,629
Supplies and other misc expenses	73,041	74,156	24,644	34,685	10,174	75,372	690,203
Professional and contracted services	5,003	369,006	76,675	143,046	9,042	134,990	974,852
Vehicle expense	-	1,408	-	-	-	-	147,255
Insurance	6,565	5,951	22,154	14,786	2,407	170	209,435
Printing, advertising and dues	5,187	6,843	9,128	13,462	-	2,028	67,813
Telephone and communication	9,776	21,324	10,563	12,630	219	13,743	192,469
Equipment rental & repair	2,323	1,440	754	1,819	-	-	26,989
Interest expense	23,909	-	35,130	-	86,682	-	245,813
Staff training	160	-	49	22,979	-	406	46,850
Contract services to other agencies	57,640	49,894	-	-	-	-	116,316
Taxes, licenses and bank fees	1,632	2,361	22,817	11,620	1,935	2,641	70,609
Depreciation	13,333	11,035	-	15,973	12,394	-	135,041
Administrative services	72,779	175,334	248,652	2,180	-	54,542	1,826,970
Subtotal	546,378	1,385,897	1,711,221	1,999,519	309,060	377,309	19,288,254
Less Intercompany Transfers	(72,779)	(223,185)	(412,482)	(70,980)	-	(54,542)	(2,278,199)
TOTAL EXPENSES	$ 473,599	$ 1,162,712	$ 1,298,739	$ 1,928,539	$ 309,060	$ 322,767	$ 17,010,055

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, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$	722,640
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation		481,603
(Increase) Decrease in Assets:		
Trading Securities		91,286
Grant Receivables		(171,790)
Other Receivables		(85,352)
Inventories		1,292
Prepaid Expenses		10,297
Deposits		92,298
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses		111,146
Salaries and Benefits Payable		(64,045)
Refundable Advances		675,780
Reserve Fund - Transportation		250,346
NET CASH PROVIDED BY OPERATING ACTIVITIES		2,115,501
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment		(1,097,586)
NET CASH USED BY INVESTING ACTIVITIES		(1,097,586)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Debt		(2,012,793)
Proceeds on Debt		1,714,000
Borrowings on line of credit		608,464
Repayments on line of credit		(608,464)
NET CASH USED BY FINANCING ACTIVITIES		(298,793)
NET INCREASE IN CASH AND CASH EQUIVALENTS		719,122
BEGINNING CASH AND CASH EQUIVALENTS		3,785,150
ENDING CASH AND CASH EQUIVALENTS	$	4,504,272

Supplemental Disclosures of Cash Flow Information:
Cash paid during year for interest $245,813.
Non cash financing includes issue of debt for purchase property $1,365,000.

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

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.

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:

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

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 $26,087 were expensed in the year ended June 30, 2022. There were no advertising costs capitalized during the year ended June 30, 2022.

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 12, 2022, the date the financial statements were available to be issued.

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, 2022, the uninsured cash balances totaled $4,460,948. 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, 2022:

	Amount
Cash	$ 4,385,883
Money Market Funds	118,389
Total	$ 4,504,272

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, 2022 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Mutual Funds	$ 1,022,457	$ 1,022,457

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.

Note 6. PROPERTY & EQUIPMENT

Property & equipment are summarized by major classifications as follows:

Buildings	$ 8,009,737
Vehicles	2,375,938
Furniture & Equipment	1,552,212
Leasehold Improvements	1,839,559
Total Property & Equipment	13,777,446
Less: Accumulated Depreciation	(3,886,321)
Property & Equipment, net	$ 9,891,125

Depreciation amounted to $346,562 for grant funded property and equipment, and $135,041 for Organization property and equipment for the year ended June 30, 2022. 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 $212,369 to the plan for all eligible employees who contributed a 5% salary match for the year ending June 30, 2022.

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, 2022 is $453,883.

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.

Note 10. NOTES PAYABLE

Notes payable consist of the following at June 30, 2022:

	Amount
Line of credit with a financial institution in the amount of $750,000. Interest rate is prime plus 1.00%. The line renewals on March 11, 2023. The line is secured by equipment, inventory, receivables, and contains certain covenants.	$ 0
Promissory note payable with monthly payments of principal and interest of $9,500. Interest rate is 4.5% per annum. The note is secured by a building.	1,712,079
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.	469,108
Promissory note payable with monthly payments of interest only $7,857. Interest only for first 13 months, Interest rate is 4.25% per annum. A balloon payment is due December 5, 2032. The note is secured by a building.	1,365,000
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.	400,000
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.	1,431,896
Total	$ 5,378,083
Current Portion	$ 105,945
Long Term Portion	$ 5,272,138

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

2023	$ 105,945
2024	528,380
2025	134,610
2026	140,813
2027	147,475
Thereafter	4,320,860
	$5,378,083

Note 11. COMMITMENTS AND CONTINGENCIES

Operating Leases:

The total rental expense incurred by the Organization for facilities during the year was $416,960. The Organization also had miscellaneous equipment rental of $3,253 for the year, which was expensed. Minimum future rental payments under noncancellable operating leases for each of the next 5 years in aggregate are:

For the Year Ending June 30,	
2023	$ 0
2024	0
2025	0
2026	0
2027	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	$ 4,504,272
Investments	1,022,457
Grants Receivable	2,128,853
Other receivable	931,988
Total Financial Assets	$ 8,587,570
Less those unavailable for general expenditures within one year, due to:	
Refundable advances	(966,843)
Reserves restricted use	(793,330)
Donor restricted	(445,747)
Current portion long term debt	(105,945)
Financial assets available to meet cash needs for general expenditures within one year	$ 6,275,705

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 $750,000 which it could draw upon in the event of any unanticipated liquidity needs.

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 non-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related combined notes to the financial statements, and have issued our report thereon dated December 12, 2022.

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.

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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

December 12, 2022

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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

Opinion on 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, 2022. Community Bridges' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Bridges and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Community Bridges' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Community Bridges' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Bridges' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Community Bridges' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community Bridges' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Community Bridges' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Community Bridges' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

December 12, 2022

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COMMUNITY BRIDGES

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Program Title	Federal Catalog Number	Program/ Contract Number	Program Expenditures	Expenditures to Subrecepients
U.S. Department of Agriculture:				
U.S. Department of Agriculture				
CDFA Farm to School Grant	10.575	SF424-A	30,126	
Passed through Calif Dept of Education:				
Summer Food Service Program for Children	10.559	19B00116	45,670	
Passed through Calif Association of Food Banks:				
Food Stamp Outreach (Cal Fresh Outreach)	10.561	21-7024	55,325	
Pandemic Electronic Benefit Transfer P-EBT (Cal Fresh	10.561	20-3167	29,703	
Passed through Calif State Dept of Health Services:				
Special Supplemental Food Program for				
Women, Infants and Children (WIC)	10.557	19-10140 A02	640,097	
Women, Infants and Children (WIC) Farmer's Marke	10.557	19-10140 A02	2,271	
Women, Infants and Children (WIC)	10.557	19-10140 A03	1,764,415	
Women, Infants and Children (WIC) Farmer's Marke	10.557	19-10140 A03	386	
Women, Infants and Children (WIC) Books 4 Kids	10.557	19-10140 A03	41,078	
Passed through Calif Dept of Social Services:				
Child and Adult Care Food Program:				
Homes and Homes Administration	10.558	44-1733-4F	3,388,872	
Centers and Centers Administration Children	10.558	44-1733-4A	38,774	
Centers and Centers Administration Adults	10.558	44-1733-4A	12,192	
Total Department of Agriculture:			**6,048,909**	**-**
U.S. Department of Education:				
Passed through Calif Dept of Education:				
CRRSA Educational Stabilization Funds	84.425	N/A	7,556	
Total Department of Education:			**7,556**	**-**
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-Transportatior	93.044	AP-2122-2	38,081	
Special Programs for the Aging-Title IIIC1-Cong Meals	93.045	AP-2122-2	253,374	
Special Programs for the Aging-Title IIIC2-Home Delive	93.045	AP-2122-2	183,888	
Special Programs for the Aging-Title IIIC2-Home Delive	93.045	AP-2122-2	97,298	
CARES act Home Delivered Meals	93.045	2021-04-CARES	107,651	
CARES act Title IIIB-Transportation	93.044	2021-04-CARES	7,000	
Food Donation Program:				
Nutrition Services Incentives Program - Congregate	93.053	AP-2122-2	31,149	
Nutrition Services Incentives Program - Home Deliv	93.053	AP-2122-2	64,872	
Total Aging Cluster			**783,313**	
Passed through Salud Para La Gente				
Covered California Health Insurance Education	93.525	15-N-57	11,468	
HRSA Pajaro Valley Vaccine Equity Project	93.011	G32HS42671	73,099	
Total U.S. Department of Health and Human Services:			**967,880**	**-**

COMMUNITY BRIDGES

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Program Title	Federal Catalog Number	Program/ Contract Number	Program Expenditures	Expenditures to Subrecepients
U.S. Federal Emergency Management Agency				
Federal Emergency Management Agency:				
Emergency Food & Shelter National Board Program:				
Home Delivered Meals	97.024	38-089200-013	12,687	
Home Delivered Meals (CARES ACT)	97.024	CARES-089200-013	3,805	
Nueva Vista Rent/Mortgage	97.024	38-089200-013	5,395	
Nueva Vista Rent/Mortgage	97.024	CARES-089200-013	3,387	
Total U.S. Federal Emergency Management Agency:			**25,274**	**-**
U.S. Department of Transportation:				
Passed through Calif Dept of Transportation:				
Federal Transit Authority Section 5310-Expanded	20.513	64AO18-00679	105,074	
Passed through Calif Dept of Transportation:				
CRRSSA Operating Assistance	20.513	64SO21-01535	37,685	
Total U.S. Department of Transportation:			**142,759**	**-**
U.S. Department of Treasury				
Passed through Local Initiatives Support Corp.				
Emergency Rental Assistance Program	21.023	52529-0001	444,850	
Total U.S. Department of Treasury:			**444,850**	**-**
U.S. Housing of Urban Development				
CDBG				
Home Delivered Meals (passed thru County of Santa	14.218	20-CDBG-CV2-3-0023	87,000	
Home Delivered Meals (passed thru City of Capitola	14.218	20-CDBG-CV1-00006	61,000	
Transportation (passed through thru City of Capitola	14.218	20-CDBG-CV1-00006	5,925	
Home Delivered Meals (passed thru City of Capitola	14.218	20-CDBG-CV2-3-0004	15,000	
Total Housing and Urban Development:			**168,925**	**-**
Total Federal Financial Assistance			**$ 7,806,153**	**$ -**

COMMUNITY BRIDGES

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Program Title	Federal Catalog Number	Program/ Contract Number	Program Expenditures	Expenditures to Subrecepients
State Programs				
California Department of Aging:				
Title IIIC(1) - Congregate Meals		AP-2122-2	90,459	
Title IIIC(2) - Home Delivered Meals		AP-2122-2	300,076	
Passed through First Five of Santa Cruz County				
State Proposition 10/First Five - LMCR		21-22-001	196,468	
State Proposition 10/First Five - MCR		21-22-001	37,531	
State Proposition 10/First Five - LOCR		21-22-001	24,792	
QCC-QRIS Block Grant 2/1/22 to 6/30/22		21-22-030	7,800	
Passed through City of Santa Cruz/Regional Transportation Commission				
Transportation Development Act-Paratransit CTSA		N/A	744,471	
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	131,200	
California Air Resources Board				
Lift Line Paratransit Dial-A-Ride Electric Vehicle Transition Prograı		G16-LDPL-06	4,995	
Low Carbon Transit Operations Program		99313	34,296	
California Department of Education				
Early Education and Support Division (formerly Child Devel Div)				
State Preschool		CSPP-1580	1,817,699	
Centers-Repair & Maintenance			-	
California Department of Social Services				
Child and Adult Food Care Program				
Homes and Homes Administration			78,373	
Centers and Centers Administration Children			1,595	
Total State Financial Assistance			**$ 3,569,755**	**$ -**

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2022

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, 2022. 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, 2022.

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, 2022,

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, 2022.

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, 2022

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. 10.558 – Child and Adult Care Food Program (CACFP), and CFDA No. 21.023 – Emergency Rental Assistance 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, 2022

	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	$ -	$ 1,817,699	$ -	$ -	$ -	$ -	$ 1,817,699
Food Program	3,500,852	40,369	-	-	15,502	-	3,556,723
Other Grant Revenues	45,126	7,556	131,200	218,000	-	7,554,270	7,956,152
Foundations and other institutions	-	4,540	-	7,800	-	1,169,571	1,181,911
Donations/contributions	9,064	1,762	-	3,838	-	1,146,489	1,161,153
Total support	3,555,042	1,871,926	131,200	229,638	15,502	9,870,330	15,673,638
Revenue							
Service fees		-	-	111,328	-	1,023,450	1,134,778
Interest	-	-	-	-	-	29,300	29,300
Other income	1,002	197	-	5,757	-	(59,371)	(52,415)
Total revenue	1,002	197	-	117,085	-	993,379	1,111,663
Net assets released from restrictions	-	-	-	-	-	-	-
TOTAL SUPPORT and REVENUE	3,556,044	1,872,123	131,200	346,723	15,502	10,863,709	16,785,301
EXPENSES							
Salaries and benefits	291,636	1,119,200	44,549	159,624	9,951	7,366,016	8,990,976
Day care home food payments	3,083,530	-	-	-	-	-	3,083,530
Building occupancy	29,037	138,398	25,790	17,431	-	1,042,068	1,252,724
Meals expense	-	20,871	-	1,305	2,241	915,363	939,780
Travel and transportation	900	3,563	-	-	-	266,166	270,629
Supplies and other misc. expenses	11,407	70,285	38,251	7,442	-	562,818	690,203
Professional and contracted services	28,792	18,034	22,450	2,367	-	903,209	974,852
Vehicle expense	169	-	-	-	-	147,086	147,255
Insurance	1,340	18,752	-	2,553	-	186,790	209,435
Printing, advertising and dues	2,619	2,532	-	512	-	62,150	67,813
Telephone and communication	6,775	20,821	-	5,766	-	159,107	192,469
Equipment rental & repair	-	3,545	-	-	-	23,444	26,989
Interest expense	-	-	-	-	-	245,813	245,813
Staff training	200	819	160	30	-	45,641	46,850
Contract services to other agencies	-	-	-	-	-	116,316	116,316
Taxes, licenses and bank fees	882	6,407	-	1,571	-	61,749	70,609
Depreciation	-	2,677	-		-	132,364	135,041
Administrative services	65,084	140,114	-	33,796	-	1,587,976	1,826,970
Subtotal	3,522,371	1,566,018	131,200	232,397	12,192	13,824,076	19,288,254
Intercompany Eliminations	-	-	-	-	-	(2,278,199)	(2,278,199)
TOTAL EXPENSES	3,522,371	1,566,018	131,200	232,397	12,192	11,545,877	17,010,055
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	33,673	306,105	-	114,326	3,310	(682,168)	(224,754)
Increase in Grant Funded Assets	-	-	-	-	-	1,293,956	1,293,956
Depreciation Grant Funded Assets	-	-	-	-	-	(346,562)	(346,562)
INCREASE/(DECREASE) IN NET ASSETS	33,673	306,105	-	114,326	3,310	265,226	722,640
NET ASSETS, BEGINNING OF YEAR	31,928	97,730	-	353,241	-	8,389,906	8,872,805
NET ASSETS, END OF YEAR	$ 65,601	$ 403,835	$ -	$ 467,567	$ 3,310	$ 8,655,132	$ 9,595,445

COMMUNITY BRIDGES

SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2022

		CSPP-1580 Child Care Centers	QRIS	Total Program
Expenditures:				
1000	Certified Salaries	$ 780,666	$ 44,549	$ 825,215
1100	Teachers Salaries	780,666	44,549	825,215
1300	Supervisors Salaries	-		-
2000	Classified Salaries	104,289	-	104,289
2100	Instructional Aides Salaries	-		-
2300	Clerical & Other Personnel Salaries	69,123		69,123
2400	Maintenance Personnel Salaries	-		-
2500	Food Service Personnel Salaries	35,166		35,166
2600	Transportation Personnel Salaries	-		-
3000	Employee benefits	234,246	-	234,245
3300	Old Age, Survivors, Disability & Health Ins	202,658		202,658
3500	State Unemployment Insurance	6,357		6,357
3600	Workers Compensation Insurance	25,231		25,231
4000	Books, Supplies, Food, and Transportation	88,386	38,251	126,637
4200	Other Books	-		-
4300	Instructional Supplies	63,952	38,251	102,203
4600	Pupil Transportation	-		-
4700	Food Services	24,434		24,434
5000	Contracted Services & Other Operating Expenses	215,640	48,400	264,041
5100	Contracts for Personal Services	8,321	22,450	30,771
5200	Travel, Conferences & Other Expenses	25,323	160	25,483
5400	Insurance	18,752		18,752
5500	Utilities & Housekeeping Services	97,724	25,790	123,515
5600	Contracts, Rents and Leases	65,520		65,520
5800	Legal, Election and Audit			-
6000	Sites, Buildings, New Equip & Equip Replacement	308,263	-	308,263
6200	Buildings and Improvements	2,677		2,677
6400	New Equipment	305,586		305,586
6500	Equipment replacement	-		-
Capital Outlay Revolving Fund Repayment		-		-
Startup/Close-down Expense		-		-
Indirect Cost at 10%		140,114		140,114
Subtotals		140,114	-	140,114
TOTAL EXPENDITURES		1,871,604	131,200	2,002,804

We have examined the claims filed for reimbursement and the original supporting records supporting the tranactions 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, 2022

	CSPP-1580 Child Care Centers	QRIS	Total Program
Combining Statement of Activities (GAAP)	$ 1,566,018	$ 131,200	$ 1,697,218
Adjustment to Reconcile Difference in Reporting:			
Capitalized Costs	305,586	-	305,586
Schedule of Expenditures by State Categories	$ 1,871,604	$ 131,200	$ 2,002,804

Community Bridges

(A Private, Non-Profit Organization)

SCHEDULE OF CLAIMED EQUIPMENT EXPENDITURES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Child and Adult Care Food	Child Care Pre-School CSPP-1580	CDE Programs	Non-CDE Programs	Total
Capitalized Equipment Expended on the AUD with Prior Written Approval					
Classroom Furniture		$ 230,696	$ 230,696		$ 230,696
Classroom Supplies		$ 74,889	$ 74,889		$ 74,889
Subtotal	$ -	$ 305,586	$ 305,586	$ -	$ 305,586
Capitalized Equipment Expended on the AUD without Prior Written Approval					
	$ -		$ -		$ -
Subtotal	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ 305,586

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, 2022

	Child and Adult Care Food	Child Care Pre-School CSPP-1580	CDE Programs	Non-CDE Programs	Total
Unit Costs Under $10,000 per Item					
Depreciation on renovations for RM portable	$ -	$ 2,677	$ 2,677	$ -	$ 2,677
Total	$ -	$ 2,677	$ 2,677	$ -	$ 2,677
Unit Costs $10,000 or more per Item With Prior Written Approval					
None	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -
Unit Costs $10,000 or more per Item Without Prior Written Approval					
None	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ 2,677	$ 2,677	$ -	$ 2,677

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

COMMUNITY BRIDGES

SCHEDULE OF CLAIMED ADMINISTRATIVE COSTS

For the Year Ended June 30, 2022

	Child & Adult Care Food Program	CSPP-1580 Child Care Centers	Total Costs
Grants Management Salaries	0	57,073	57,073
Accounting Salaries	0	8,301	8,301
CACFP Centers Consultant	0	3,750	3,750
Employee Benefits-Hlth/UI/401K	0	11,659	11,659
Payroll Taxes-FICA/WC	0	5,576	5,576
Indirect Costs	65,084	140,114	205,198
TOTAL	65,084	226,473	291,557

Contractor Name: Community Bridges

Contract Number: CSPP-1580

Fiscal Year Ended: June 30, 2022

Vendor Code: B671

California Department of Education Audited Enrollment, Attendance and Fiscal Report for California State Preschool Program

Section 1 – Number of Counties Where Services are Provided

Number of counties where the agency provided services to certified children (Form 1): **1**

Number of counties where the agency provided mental health consultation services to certified children (Form 2): **0**

Number of counties where the agency provided services to non-certified children (Form 3): **0**

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4): **0**

Total enrollment and attendance forms to attach: **2**

Note: For each of the above categories, submit one July-December form and one form for each service county for January-June.

Section 2 – Days of Enrollment, Attendance and Operation

Enrollment and Attendance Form Summary	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	8,934		8,934	10,114.6840
Total Certified Days of Enrollment with Mental Health Consultation Services	0		0	0.0000
Days of Attendance (including MHCS)	8,934		8,934	N/A
Total Non-Certified Days of Enrollment	0		0	
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	0		0	

Days of Operation	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Days of Operation	239		239	N/A

Section 3 – Revenue

Restricted Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Child Nutrition Programs	24,063	16,306	40,369
County Maintenance of Effort (EC Section 8279)			0
Other: CRRSA		7,556	7,556
Other:			0
TOTAL RESTRICTED INCOME	**24,063**	**23,862**	**47,925**

Transfer from Reserve	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Transfer from Reserve			0

Other Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Waived Family Fees for Certified Children	0	38,890	38,890
Interest Earned on Child Development Apportionment Payments			0
Fees for Non-Certified Children			0
Unrestricted Income: Head Start			0
Other: Donations	1,917	(155)	1,762
Other: Other govt & misc funding		4,737	4,737

Section 4 - Reimbursable Expenses

Cost Category	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Direct Payments to Providers (FCCH only)			0
1000 Certificated Salaries	767,426	13,240	780,666
2000 Classified Salaries	127,930	(23,641)	104,289
3000 Employee Benefits	217,454	16,791	234,245
4000 Books and Supplies	91,631	(3,245)	88,386
5000 Services and Other Operating Expenses	237,196	(21,555)	215,641
6100/6200 Other Approved Capital Outlay	305,880	(294)	305,586
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
Depreciation or Use Allowance		2,677	2,677
Start-up Expenses (service level exemption)			0
Indirect Costs (include in Total Administrative Cost)	132,480	7,634	140,114
TOTAL REIMBURSABLE EXPENSES	**1,879,997**	**(8,393)**	**1,871,604**

Does the agency have an indirect cost rate approved by its cognizant agency (Select YES or NO)? ☑ Yes ☐ No

Approved Indirect Cost Rate: 17.157

Specific Items of Reimbursable Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Administrative Cost (included in Reimbursable Expenses)	225,244	1,229	226,473
Total Staff Training Cost (included in Reimbursable Expenses)			0

☐ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 4.

Section 5 - Supplemental Funding

Supplemental Revenue	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Enhancement Funding			0
Other: QRIS Funding	131,200		131,200
Other:			0
TOTAL SUPPLEMENTAL REVENUE	**131,200**	**0**	**131,200**

Supplemental Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
1000 Certificated Salaries	44,549		44,549
2000 Classified Salaries	0		0
3000 Employee Benefits	0		0
4000 Books and Supplies	38,154	97	38,251
5000 Services and Other Operating Expenses	48,497	(97)	48,400
6000 Equipment / Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses			0
TOTAL SUPPLEMENTAL EXPENSES	**131,200**	**0**	**131,200**

Section 6 - Summary

Description	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Certified Days of Enrollment (including MHCS)	8,934	0	8,934
Days of Operation	239	0	239
Days of Attendance (including MHCS)	8,934	0	8,934
Total Certified Adjusted Days of Enrollment	N/A	N/A	10,114.6840
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	0.0000
Restricted Program Income	24,063	23,862	47,925
Transfer from Reserve	0	0	0
Interest Earned on Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	1,879,997	(8,393)	1,871,604
Total Administrative Cost	225,244	1,229	226,473
Total Staff Training Cost	0	0	0
Non-Reimbursable Cost (State Use Only)	N/A	N/A	

Section 7 – Auditor's Assurances

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 Education Division:

Eligibility, enrollment and attendance records are being maintained as required (Select YES or NO): ☑ Yes ☐ No

Reimbursable expenses claimed in Section 4 are eligible for reimbursement, reasonable, necessary, and adequately supported (Select YES or NO): ☑ Yes ☐ No

Section 8 – Comments

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

Contractor Name: Community Bridges **Contract Number:** CSPP-1580

California State Preschool Program – Form 1A
Certified Children Days of Enrollment and Attendance from July 2021 – December 2021

Pilot Program: None

Enrollment Description	Column A Cumulative FY per CPARIS December Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years and Older Full-time-plus			0	1.1800	0.0000
Three Years and Older Full-time	100		100	1.0000	100.0000
Three Years and Older Three-quarters-time			0	0.7500	0.0000
Three Years and Older One-half-time			0	0.6193	0.0000
Exceptional Needs Full-time-plus			0	1.8172	0.0000
Exceptional Needs Full-time	318		318	1.5400	489.7200
Exceptional Needs Three-quarters-time			0	1.1550	0.0000
Exceptional Needs One-half-time			0	0.9537	0.0000
Limited and Non-English Proficient Full-time-plus			0	1.2980	0.0000
Limited and Non-English Proficient Full-time	3,140		3,140	1.1000	3,454.0000
Limited and Non-English Proficient Three-quarters-time			0	0.8250	0.0000
Limited and Non-English Proficient One-half-time	6		6	0.6193	3.7158

Contractor Name: Community Bridges **Contract Number: CSPP-1580**

Enrollment Description	Column A Cumulative FY per CPARIS December Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Three-quarters-time			0	0.8250	0.0000
At Risk of Abuse or Neglect One-half-time			0	0.6193	0.0000
Severely Disabled Full-time-plus			0	2.2774	0.0000
Severely Disabled Full-time			0	1.9300	0.0000
Severely Disabled Three-quarters-time			0	1.4475	0.0000
Severely Disabled One-half-time			0	1.1952	0.0000
TOTAL CERTIFIED DAYS OF ENROLLMENT	**3,564**	**0**	**3,564**	N/A	**4,047.4358**

Attendance	Column A Cumulative FY per CPARIS December Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
DAYS OF ATTENDANCE	**3,564**		**3,564**	N/A	N/A

Enter the sum of Total Certified Days of Enrollment from all Form 1s in the Total Certified Days of Enrollment line of AUD 8501, Section 2.

Enter the sum of Days of Attendance from all Form 1s and Form 2s in the Days of Attendance line of AUD 8501, Section 2.

Contractor Name: Community Bridges **Contract Number:** CSPP-1580

California State Preschool Program – Form 1B
Certified Children Days of Enrollment and Attendance from January 2022 – June 2022

Service County: Santa Cruz

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years and Older Full-time-plus			0	1.1800	0.0000
Three Years and Older Full-time	145		145	1.0000	145.0000
Three Years and Older One-half-time	238		238	0.6402	152.3676
Exceptional Needs Full-time-plus			0	1.8172	0.0000
Exceptional Needs Full-time	649		649	1.5400	999.4600
Exceptional Needs One-half-time			0	0.9859	0.0000
Dual Language Learner Full-time-plus			0	1.2980	0.0000
Dual Language Learner Full-time	4,335		4,335	1.1000	4,768.5000
Dual Language Learner One-half-time	3		3	0.6402	1.9206
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect One-half-time			0	0.6402	0.0000

Contractor Name: Community Bridges **Contract Number: CSPP-1580**

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Severely Disabled Full-time-plus			0	2.2774	0.0000
Severely Disabled Full-time			0	1.9300	0.0000
Severely Disabled One-half-time			0	1.2356	0.0000
TOTAL CERTIFIED DAYS OF ENROLLMENT	**5,370**	**0**	**5,370**	N/A	**6,067.2482**

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
DAYS OF ATTENDANCE	**5,370**		**5,370**	N/A	N/A

Enter the sum of Total Certified Days of Enrollment from all Form 1s in the Total Certified Days of Enrollment line of AUD 8501, Section 2.

Enter the sum of Days of Attendance from all Form 1s and Form 2s in the Days of Attendance line of AUD 8501, Section 2.

California Department of Education **Fiscal Year Ending: June 30, 2022**
Audited Preschool Reserve Account Activity Report **Vendor Code: B671**

Contractor Name: Community Bridges

Section 1 – Prior Year Reserve Account Activity

1. Beginning Balance (2020–21 AUD 9530A Ending Balance): 0

2. Plus Transfers to Reserve Account:

2020–21 Contract No.	Per 2020–21 Post-Audit CDFS 9530
Total Transferred from 2020–21 Contracts	**0**

3. Less Excess Reserve to be Billed:

4. 2020–21 CDFS 9530 Reserve Balance After Billing: 0

Section 2 – Current Year Reserve Account Activity

5. Plus Interest Earned This Year on Reserve:

Description	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
Interest Earned	0		0

6. Less Transfers to Contracts from Reserve:

2021–22 Contract No.	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
			0
			0
			0
Total Transferred to Contracts	**0**	**0**	**0**

7. Ending Balance:

Description	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
Ending Balance on June 30, 2022	0	0	0

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

COMMUNITY BRIDGES
STATEMENT OF FINANCIAL POSITION - MEASURE D FUNDING
JUNE 30, 2022

ASSETS	
Current Assets	
Cash	$ 690,004
Total Current Assets	690,004
TOTAL ASSETS	$ 690,004
LIABILITIES AND NET ASSETS	
Current Liabilities	
	$ -
Total Current Liabilities	-
Other Liabilities	
Reserve Fund	690,004
TOTAL LIABILITIES	690,004
Net Assets	
Net Assets without Donor Restrictions	-
TOTAL NET ASSETS	-
TOTAL LIABILITIES AND NET ASSETS	$ 690,004

COMMUNITY BRIDGES
STATEMENT OF ACTIVITIES - MEASURE D FUNDING
FOR THE YEAR ENDED JUNE 30, 2022

Changes in Net Asets Without Donor Restrictions

Revenue and Support		
Measure D Funding	$	1,074,438
Interest Income		575
Transfer to Measure D Reserve Fund		(250,346)
TOTAL REVENUES AND SUPPORT		824,667
Expenses		
Driver Personnel		282,110
Driver Training		67,342
Admin Assistant/Dispatch		47,613
Outreach/Publicity		8,443
Consultants/Project Management		28,051
Operations Facility		391,109
TOTAL EXPENSES		824,667
INCREASE/(DECREASE) IN NET ASSETS		-
NET ASSETS AT BEGINNING OF YEAR		-
NET ASSETS AT END OF YEAR	$	-