

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

Annual Financial Report

Fiscal Year Ended June 30, 2023

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, 2023, 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, 2023, 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.

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, 2023.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, 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.

A handwritten signature in black ink that reads "Kaku & Mersino, LLP". The signature is written in a cursive, flowing style.

KAKU & MERSINO, LLP

December 14, 2023

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

Cash and Cash Equivalents	\$ 2,717,559
Investments	2,622,014
Grant Receivables	3,395,586
Other Receivables	1,298,504
Inventories	39,947
Prepaid Expenses	293,003
Deposits	99,364
Property and Equipment, net	<u>12,140,646</u>
TOTAL ASSETS	<u>\$ 22,606,623</u>

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 1,381,207
Salaries and Benefits Payable	1,113,330
Refundable Advances	641,972
Reserve Fund - Transportation	886,613
Notes Payable	<u>4,889,586</u>
TOTAL LIABILITIES	<u>8,912,708</u>

NET ASSETS

Net Assets without Donor Restrictions	13,214,266
Net Assets with Donor Restrictions	<u>479,649</u>
TOTAL NET ASSETS	<u>13,693,915</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 22,606,623</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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT and REVENUE			
Support			
Grant Revenues	\$ 15,470,323	\$ -	\$ 15,470,323
Foundations and other institutions	1,667,826		1,667,826
Donations/contributions	1,847,830		1,847,830
Total support	18,985,979	-	18,985,979
Revenue			
Service fees	1,955,446		1,955,446
Interest	14,737	11,608	26,345
Other income	187,879	26,113	213,992
Total revenue	2,158,062	37,721	2,195,783
Net assets released from restrictions	3,819	(3,819)	-
TOTAL SUPPORT and REVENUE	21,147,860	33,902	21,181,762
EXPENSES			
Program Services			
Women, Infants, and Children (WIC)	2,066,614		2,066,614
Child & Adult Care Food Program (CACFP)	3,864,805		3,864,805
Lift Line - Transportation Services	1,956,386		1,956,386
Meals on Wheels - Senior Nutrition	1,760,978		1,760,978
Early Education Division	2,430,811		2,430,811
Nueva Vista Community Resources	366,176		366,176
Live Oak Community Resources	384,159		384,159
Mountain Community Resources	725,382		725,382
La Manzana Community Resources	1,755,562		1,755,562
Elderday - Senior Medical CBAS	1,475,561		1,475,561
Total Program Services	16,786,435	-	16,786,435
Supporting Services			
Management and General	2,169,691		2,169,691
Other Services	312,481		312,481
Fund Development	565,876		565,876
Total Supporting Services	3,048,048	-	3,048,048
TOTAL EXPENSES	19,834,483	-	19,834,483
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	1,313,377	33,902	1,347,279
Increase in Grant Funded Assets	3,149,946		3,149,946
Depreciation Grant Funded Assets	(398,755)	-	(398,755)
INCREASE IN NET ASSETS	4,064,568	33,902	4,098,470
NET ASSETS, BEGINNING OF YEAR	9,149,698	445,747	9,595,445
NET ASSETS, END OF YEAR	\$ 13,214,266	\$ 479,649	\$ 13,693,915

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, 2023

	PROGRAM SERVICES						
	Women, Infants & Children (WIC)	Child & Adult Care Food Program	Lift Line - Transportation Services	Senior Nutrition Meals on Wheels	Early Education Division	Nueva Vista Community Resources	Live Oak Community Resources
EXPENSES							
Salaries and benefits	\$ 1,719,710	\$ 305,336	\$ 1,155,481	\$ 652,085	\$ 1,577,560	\$ 261,263	\$ 272,349
Food payments	-	3,498,069	-	-	-	-	-
Building occupancy	256,933	30,015	34,348	134,662	123,346	23,716	39,791
Meals expense	14,573	-	-	783,587	43,068	348	-
Travel and transportation	753	1,077	182,463	24,006	5,559	1,301	1,849
Supplies and other misc expenses	49,488	7,264	34,653	57,279	458,192	40,298	33,244
Professional and contracted services	54,742	36,271	145,223	60,911	125,653	8,937	12,856
Vehicle expense	-	-	143,472	23,734	647	-	-
Insurance	11,238	1,572	92,210	19,577	21,916	11,370	4,857
Printing, advertising and dues	6,587	1,196	16,721	4,382	19,227	1,337	1,330
Telephone and communication	24,118	6,613	12,407	15,328	26,138	11,817	12,218
Equipment rental & repair	3,713	-	1,470	7,836	3,437	1,029	571
Interest expense	-	-	80,214	-	-	-	-
Staff training	13,399	120	640	1,093	13,620	25	101
Contract services to other agencies	-	-	-	-	-	-	-
Taxes, licenses and bank fees	2,246	1,004	9,062	7,735	9,771	451	5,374
Depreciation	27,569	-	48,022	-	2,677	4,284	-
Administrative services	371,984	66,483	269,662	370,861	246,204	61,196	61,919
Subtotal	2,557,053	3,955,020	2,226,048	2,163,076	2,677,015	427,372	446,459
Less Intercompany Transfers	(490,439)	(90,215)	(269,662)	(402,098)	(246,204)	(61,196)	(62,300)
TOTAL EXPENSES	\$ 2,066,614	\$ 3,864,805	\$ 1,956,386	\$ 1,760,978	\$ 2,430,811	\$ 366,176	\$ 384,159

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, 2023

	PROGRAM SERVICES			SUPPORTING SERVICES			
	Mountain Community Resources	La Manzana Community Resources	Elderday Senior CBAS	Management and General	Other Services	Fund Development	Total
EXPENSES							
Salaries and benefits	\$ 240,468	\$ 746,910	\$ 921,254	\$ 1,767,305	\$ 47,992	\$ 293,583	\$ 9,961,296
Day care home food payments	-	-	-	-	-	-	3,498,069
Building occupancy	44,467	98,352	277,101	73,275	155,391	15	1,291,412
Meals expense	2,576	-	35,167	-	-	-	879,319
Travel and transportation	2,073	7,935	212,159	523	-	1,591	441,289
Supplies and other misc expenses	60,555	239,849	20,963	65,797	6,663	65,120	1,139,365
Professional and contracted services	61,500	430,727	76,065	207,525	3,032	167,513	1,390,955
Vehicle expense	-	2,553	-	75	-	-	170,481
Insurance	6,358	7,854	29,134	12,561	3,659	166	222,472
Printing, advertising and dues	5,329	12,887	12,297	26,351	-	7,645	115,289
Telephone and communication	7,899	37,204	11,096	22,405	240	2,611	190,094
Equipment rental & repair	1,260	6,209	4,370	3,075	-	-	32,970
Interest expense	22,371	-	58,697	1,231	77,148	-	239,661
Staff training	25	65	2,225	14,588	-	1,795	47,696
Contract services to other agencies	255,755	202,126	-	-	-	20,000	477,881
Taxes, licenses and bank fees	1,413	2,128	50,908	22,009	4,010	5,837	121,948
Depreciation	13,333	8,959	-	14,663	14,346	-	133,853
Administrative services	83,908	259,150	291,706	13,129	-	96,063	2,192,265
Subtotal	809,290	2,062,908	2,003,142	2,244,512	312,481	661,939	22,546,315
Less Intercompany Transfers	(83,908)	(307,346)	(527,581)	(74,821)	-	(96,063)	(2,711,832)
TOTAL EXPENSES	\$ 725,382	\$ 1,755,562	\$ 1,475,561	\$ 2,169,691	\$ 312,481	\$ 565,876	\$19,834,483

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, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 4,098,470
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	535,563
(Increase) Decrease in Assets:	
Trading Securities	(1,599,557)
Grant Receivables	(1,266,733)
Other Receivables	(366,516)
Inventories	(17,454)
Prepaid Expenses	(63,976)
Deposits	29,300
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	132,656
Salaries and Benefits Payable	236,703
Refundable Advances	(324,871)
Reserve Fund - Transportation	93,283
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,486,868</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of Property and Equipment	<u>(2,785,084)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(2,785,084)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Debt	<u>(488,497)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(488,497)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (1,786,713)

BEGINNING CASH AND CASH EQUIVALENTS 4,504,272

ENDING CASH AND CASH EQUIVALENTS \$ 2,717,559

Supplemental Disclosures of Cash Flow Information:

Cash paid during year for interest \$235,469.

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

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023

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, 2023

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 \$243,205 were expensed in the year ended June 30, 2023. There were no advertising costs capitalized during the year ended June 30, 2023.

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 14, 2023, the date the financial statements were available to be issued.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023, the uninsured cash balances totaled \$3,274,567. 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, 2023:

	<u>Amount</u>
Cash	\$ 2,588,189
Money Market Funds	<u>129,370</u>
Total	<u>\$ 2,717,559</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, 2023 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Mutual Funds	\$ 1,139,725	\$ 1,139,725
U.S. Treasury Notes	<u>1,482,289</u>	<u>1,482,289</u>
Total Investments	<u>\$ 2,622,014</u>	<u>\$ 2,622,014</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, 2023

Note 6. PROPERTY & EQUIPMENT

Property & equipment are summarized by major classifications as follows:

Buildings	\$ 8,009,737
Vehicles	2,866,633
Furniture & Equipment	1,714,094
Leasehold Improvements	<u>3,972,067</u>
 Total Property & Equipment	 16,562,531
 Less: Accumulated Depreciation	 <u>(4,421,885)</u>
 Property & Equipment, net	 <u>\$ 12,140,646</u>

Depreciation amounted to \$398,755 for grant funded property and equipment, and \$133,853 for Organization property and equipment for the year ended June 30, 2023. 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 \$236,457 to the plan for all eligible employees who contributed a 5% salary match for the year ending June 30, 2023.

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, 2023 is \$527,963.

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. The remainder is the Transportation Development Act equipment reserve.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 10. NOTES PAYABLE

Notes payable consist of the following at June 30, 2023:

	<u>Amount</u>
Line of credit with a financial institution in the amount of \$750,000. Interest rate is prime plus 1.00%. The line renews on March 10, 2024. 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.	1,674,480
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.	459,009
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.	1,359,348
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>1,396,749</u>
Total	<u>\$ 4,889,586</u>
Current Portion	<u>\$ 128,380</u>
Long Term Portion	<u>\$ 4,761,206</u>

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

2024	\$ 128,380
2025	134,610
2026	140,813
2027	147,475
2028	156,160
Thereafter	<u>4,182,148</u>
	<u>\$4,889,586</u>

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 11. COMMITMENTS AND CONTINGENCIES

Operating Leases:

The total rental expense incurred by the Organization for facilities during the year was \$443,664. The Organization also had miscellaneous equipment rental of \$8,844 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>	
2024	\$ 0
2025	0
2026	0
2027	0
2028	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	\$ 2,717,559
Investments	2,622,014
Grants Receivable	3,395,586
Other receivable	<u>1,298,504</u>
Total Financial Assets	<u>\$ 10,033,663</u>

Less those unavailable for general expenditures within one year, due to:

Refundable advances	(641,972)
Reserves restricted use	(886,613)
Donor restricted	(479,649)
Current portion long term debt	<u>(128,380)</u>

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,897,049</u>
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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.

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 non-profit organization), which comprise the statement of financial position as of June 30, 2023, 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 14, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

KAKU & MERSINO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters 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 14, 2023

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

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, 2023. 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, 2023.

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 14, 2023

COMMUNITY BRIDGES
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Program Title	Federal Assistance Listing (AL) Number	Program/Contract Number	Program Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture:				
Passed through Calif Dept of Education:				
Summer Food Service Program for Children	10.559	19B00116	\$ 39,238	
Passed through Calif Association of Food Banks:				
Food Stamp Outreach (Cal Fresh Outreach)	10.561	21-7024	103,656	
Pandemic Electronic Benefit Transfer P-EBT (Cal Fresh Outreach)	10.561	20-3167	114,451	
Passed through Food Research & Action Center				
WIC Community Inovation and Outreach (CIAO)	10.557	N/A	4,726	
Passed through Calif State Dept of Health Services:				
Special Supplemental Food Program for				
Women, Infants and Children (WIC)	10.557	19-10140 A03	622,445	
Women, Infants and Children (WIC) Farmer's Market	10.557	19-10140 A03	1,754	
Women, Infants and Children (WIC)	10.557	22-10240 A01	1,886,026	
Women, Infants and Children (WIC) Farmer's Market	10.557	22-10240 A01	141	
Women, Infants and Children (WIC) Books 4 Kids	10.557	22-10240 A01	33,904	
Passed through Calif Dept of Social Services:				
Child and Adult Care Food Program:				
Homes and Homes Administration	10.558	44-1733-4F	3,850,992	
Centers and Centers Administration Children	10.558	44-1733-4A	57,009	
Centers and Centers Administration Adults	10.558	44-1733-4A	53,979	
Total Department of Agriculture:			6,768,321	-
U.S. Department of Education:				
Passed through Calif Dept of Education:				
Early Education Division - State Preschool	93.596	CSPP-2564	272,271	
CRRSA Educational Stabilization Funds	84.425	N/A	14,494	
AB 132 ARPA Stipend		N/A	20,400	
Passed through Calif Dept of Social Services:				
ARPA Stabilization Funds		N/A	32,000	
Total Department of Education:			339,165	-
U.S. Department of Health and Human Services:				
Passed through the City of Santa Cruz:				
Community Development and Block Grant-BFCC	93.569	N/A	25,000	
Community Development and Block Grant-Familia Ctr	93.569	N/A	75,000	
Passed through Area Agency on Aging for Santa Cruz & San Benito Counties:				
Special Programs for the Aging-Title IIIB-Transportation	93.044	AP-2223-2	20,000	
Special Programs for the Aging-Title IIIC1-Cong Meals	93.045	AP-2223-2	212,097	
Special Programs for the Aging-Title IIIC1-Home Delivery (ARPA)	93.045	AP-2223-2	81,642	
Special Programs for the Aging-Title IIIC2-Home Delivery	93.045	AP-2223-2	235,317	
Special Programs for the Aging-Title IIIC2-Home Delivery (ARPA)	93.045	AP-2223-2	122,463	
Nutrition Services Incentives Program - Congregate	93.053	AP-2223-2	31,149	
Nutrition Services Incentives Program - Home Deliv	93.053	AP-2223-2	64,872	
Total Aging Cluster			767,540	
Passed through Salud Para La Gente				
Covered California Health Insurance Education	93.525	15-N-57	15,098	
HRSA Pajaro Valley Vaccine Equity Project	93.011	G32HS42671	61,525	
Total U.S. Department of Health and Human Services:			944,163	-

COMMUNITY BRIDGES
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Program Title	Federal Assistance Listing (AL) Number	Program/ Contract Number	Program Expenditures	Passed Through to Subrecipients
U.S. Federal Emergency Management Agency				
Federal Emergency Management Agency:				
Emergency Food & Shelter National Board Program:				
Home Delivered Meals (FEMA EFSP)	97.024	39-089200-013	10,000	
Home Delivered Meals (FEMA ARPA)	97.024	089200-013	30,000	
Total U.S. Federal Emergency Management Agency:			40,000	-
U.S. Department of Transportation:				
Passed through Calif Dept of Transportation:				
Federal Transit Authority Section 5310-Expanded	20.513	64AO18-00679	93,926	
Total U.S. Department of Transportation:			93,926	-
U.S. Department of Treasury				
Passed through Local Initiatives Support Corp.				
Emergency Rental Assistance Program	21.023	52529-0001	224,736	
Total U.S. Department of Treasury:			224,736	-
U.S. Housing of Urban Development				
CDBG				
Home Delivered Meals (passed thru City of Capitola)	14.218	0-CDBG-CV2-3-0005	75,721	
Total Housing and Urban Development:			75,721	-
Total Federal Financial Assistance			\$ 8,486,032	\$ -

COMMUNITY BRIDGES
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Program Title	Federal Assistance Listing (AL) Number	Program/ Contract Number	Program Expenditures	Passed Through to Subrecipients
State Programs				
California Department of Aging:				
Title IIIC(1) - Congregate Meals		AP-2223-2	91,486	
Title IIIC(2) - Home Delivered Meals		AP-2223-2	405,270	
Nutritional INFRASTRUCURE			85,133	
Passed through First Five of Santa Cruz County				
State Proposition 10/First Five - LMCR		22-23-002	174,545	
State Proposition 10/First Five - MCR		22-23-002	21,442	
State Proposition 10/First Five - LOCR		22-23-002	22,072	
QCC-QRIS Block Grant 2/1/22 to 6/30/22		21-22-030	7,360	
Passed through City of Santa Cruz/Regional Transportation Commission				
Transportation Development Act-Paratransit CTSA		N/A	972,132	
Passed through City of Santa Cruz/Regional Transportation Commission				
State Transit Assistance (STA)		N/A	294,221	
Passed through the SC Co Office of Education				
QRIS Block Grant		MOU	66,400	
California Air Resources Board				
Lift Line Paratransit Dial-A-Ride Electric Vehicle Transition Program		G16-LDPL-06	177,203	
Low Carbon Transit Operations Program		99313	215,264	
California Department of Education				
Early Education and Support Division (formerly Child Devel Div)				
State Preschool		CSPP-2564	2,106,389	
Centers-Repair & Maintenance				
California Department of Social Services				
Child and Adult Food Care Program				
Homes and Homes Administration			88,724	
Centers and Centers Administration Children			2,874	
Total State Financial Assistance			\$ 4,730,515	\$ -

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2023

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, 2023. 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, 2023.
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, 2023,
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, 2023.

COMMUNITY BRIDGES
(A Private, Non-Profit Organization)

NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2023

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, 2023

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: Assistance Listing No. 10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and Assistance Listing No. 10.561 – State Administrative Matching Grant for the Supplemental Nutrition 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, 2023

	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	\$ -	\$ 2,378,660	\$ -	\$ -	\$ -	\$ -	\$ 2,378,660
Food Program	3,977,735	59,884	-	-	53,979	-	4,091,598
Other Grant Revenues	7,586	58,894	66,400	69,454	-	8,797,731	9,000,065
Foundations and other institutions	-	-	-	7,360	-	1,660,466	1,667,826
Donations/contributions	5,739	-	-	3,800	-	1,838,291	1,847,830
Total support	3,991,060	2,497,438	66,400	80,614	53,979	12,296,488	18,985,979
Revenue							
Service fees	-	-	-	86,613	-	1,868,833	1,955,446
Interest	-	-	-	-	-	26,345	26,345
Other income	-	-	-	2,899	-	211,093	213,992
Total revenue	-	-	-	89,512	-	2,106,271	2,195,783
Net assets released from restrictions	-	-	-	-	-	-	-
TOTAL SUPPORT and REVENUE	3,991,060	2,497,438	66,400	170,126	53,979	14,402,759	21,181,762
EXPENSES							
Salaries and benefits	305,336	1,407,163	36,400	133,998	41,975	8,036,424	9,961,296
Day care home food payments	3,498,069	-	-	-	-	-	3,498,069
Building occupancy	30,015	105,768	-	17,579	-	1,138,050	1,291,412
Meals expense	-	39,107	-	3,961	13,769	822,482	879,319
Travel and transportation	1,077	5,283	-	276	-	434,653	441,289
Supplies and other misc. expenses	7,264	421,675	24,000	12,518	39	673,869	1,139,365
Professional and contracted services	36,271	101,725	6,000	17,927	-	1,229,032	1,390,955
Vehicle expense	-	647	-	-	-	169,834	170,481
Insurance	1,572	19,442	-	2,474	-	198,984	222,472
Printing, advertising and dues	1,196	17,529	-	1,698	-	94,866	115,289
Telephone and communication	6,613	19,405	-	6,733	-	157,343	190,094
Equipment rental & repair	-	2,401	-	1,036	-	29,533	32,970
Interest expense	-	-	-	-	-	239,661	239,661
Staff training	120	13,583	-	37	-	33,956	47,696
Contract services to other agencies	-	-	-	-	-	477,881	477,881
Taxes, licenses and bank fees	1,004	6,475	-	3,296	-	111,173	121,948
Depreciation	-	2,677	-	-	-	131,176	133,853
Administrative services	66,483	216,020	-	30,184	1,506	1,878,072	2,192,265
Subtotal	3,955,020	2,378,900	66,400	231,717	57,289	15,856,989	22,546,315
Intercompany Eliminations	-	-	-	-	-	(2,711,832)	(2,711,832)
TOTAL EXPENSES	3,955,020	2,378,900	66,400	231,717	57,289	13,145,157	19,834,483
EXCESS/(DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	36,040	118,538	-	(61,591)	(3,310)	1,257,602	1,347,279
Increase in Grant Funded Assets	-	-	-	-	-	3,149,946	3,149,946
Depreciation Grant Funded Assets	-	-	-	-	-	(398,755)	(398,755)
INCREASE/(DECREASE) IN NET ASSETS	36,040	118,538	-	(61,591)	(3,310)	4,008,793	4,098,470
NET ASSETS, BEGINNING OF YEAR	65,601	403,835	-	467,567	3,310	8,655,132	9,595,445
NET ASSETS, END OF YEAR	\$ 101,641	\$ 522,373	\$ -	\$ 405,976	\$ -	\$ 12,663,925	\$ 13,693,915

COMMUNITY BRIDGES
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2023

		CSPP-2564	QRIS	Total
		Child Care Centers		Program
Expenditures:				
1000	Certified Salaries	\$ 976,589	\$ 36,400	\$ 1,012,989
1100	Teachers Salaries	976,589	36,400	1,012,989
1300	Supervisors Salaries	-	-	-
2000	Classified Salaries	147,112	-	147,112
2100	Instructional Aides Salaries	-	-	-
2300	Clerical & Other Personnel Salaries	93,872	-	93,872
2400	Maintenance Personnel Salaries	-	-	-
2500	Food Service Personnel Salaries	53,240	-	53,240
2600	Transportation Personnel Salaries	-	-	-
3000	Employee benefits	283,462	-	283,462
3300	Old Age, Survivors, Disability & Health Ins	237,648	-	237,648
3500	State Unemployment Insurance	8,938	-	8,938
3600	Workers Compensation Insurance	36,876	-	36,876
4000	Books, Supplies, Food, and Transportation	437,467	24,000	461,467
4200	Other Books	-	-	-
4300	Instructional Supplies	392,382	24,000	416,382
4600	Pupil Transportation	-	-	-
4700	Food Services	45,085	-	45,085
5000	Contracted Services & Other Operating Expenses	315,573	6,000	321,573
5100	Contracts for Personal Services	37,669	6,000	43,669
5200	Travel, Conferences & Other Expenses	127,496	-	127,496
5400	Insurance	19,442	-	19,442
5500	Utilities & Housekeeping Services	64,794	-	64,794
5600	Contracts, Rents and Leases	66,171	-	66,171
5800	Legal, Election and Audit	-	-	-
6000	Sites, Buildings, New Equip & Equip Replacement	121,215	-	121,215
6200	Buildings and Improvements	2,677	-	2,677
6400	New Equipment	118,538	-	118,538
6500	Equipment replacement	-	-	-
Capital Outlay Revolving Fund Repayment		-	-	-
Startup/Close-down Expense		-	-	-
Indirect Cost at 10%		216,020	-	216,020
Subtotals		216,020	-	216,020
TOTAL EXPENDITURES		2,497,438	66,400	2,563,838

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, 2023

	CSPP-1580 Child Care Centers	QRIS	Total Program
Combining Statement of Activities (GAAP)	\$ 2,378,900	\$ 66,400	\$ 2,445,300
Adjustment to Reconcile Difference in Reporting:			
Capitalized Costs	118,538	-	118,538
Schedule of Expenditures by State Categories	<u>\$ 2,497,438</u>	<u>\$ 66,400</u>	<u>\$ 2,563,838</u>

Community Bridges
(A Private, Non-Profit Organization)
SCHEDULE OF CLAIMED EQUIPMENT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Child and Adult Care Food	Child Care Pre-School CSPP-2564	CDE Programs	Non-CDE Programs	Total
Capitalized Equipment Expended on the AUD with Prior Written Approval					
Large Outlast Set		\$ 12,071	\$ 12,071		\$ 12,071
Outlast Storage Set		7,406	7,406		7,406
Outlas Shed		5,995	5,995		5,995
Outlas Shed		5,995	5,995		5,995
Large Outlast Set		12,071	12,071		12,071
Outlas Shed		5,995	5,995		5,995
Large Outlast Set		12,071	12,071		12,071
Outlast Storage Set		7,406	7,406		7,406
Outlast Toddler Activity Set		5,990	5,990		5,990
Large Outlast Set		12,071	12,071		12,071
Outlast Storage Set		7,406	7,406		7,406
Large Outlast Set		12,071	12,071		12,071
Outlas Shed		5,995	5,995		5,995
Outlas Shed		5,995	5,995		5,995
Subtotal	\$ -	\$ 118,538	\$ 118,538	\$ -	\$ 118,538
Capitalized Equipment Expended on the AUD without Prior Written Approval					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 118,538	\$ 118,538	\$ -	\$ 118,538

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, 2023

	Child and Adult Care Food	Child Care Pre-School CSPP-2564	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, 2023

	Child & Adult Care Food Program	CSPP-2564 Child Care Centers	Total Costs
Grants Management Salaries	\$ -	\$ 51,562	\$ 51,562
Accounting Salaries	-	34,309	34,309
CACFP Centers Consultant	-	8,001	8,001
Employee Benefits-Hlth/UI/401K	-	15,085	15,085
Payroll Taxes-FICA/WC	-	8,644	8,644
Indirect Costs	66,483	216,020	282,503
TOTAL	\$ 66,483	\$ 333,621	\$ 400,104

Contractor Name: Community Bridges

Contract Number: CSPP-2564

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

Fiscal Year Ended: June 30, 2023

Vendor Code: B671

Section 1 – Number of Counties Where Services are Provided

Number of counties where the agency provided services to certified children (Form 1): **0**

Number of counties where the agency provided mental health consultation services to certified children (Form 2): **1**

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: **1**

Note: For each of the above categories, submit one form for each service county.

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	0		0	
Total Certified Days of Enrollment with Mental Health Consultation Services	16,076		16,076	24,657.6027
Days of Attendance (including MHCS)	14,957		14,957	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	50,879	9,005	59,884
County Maintenance of Effort (EC Section 8260)			0
Other: American Rescue Plan Act (ARPA)	44,400		44,400
Other: Other Revenue	14,494		14,494
TOTAL RESTRICTED INCOME	109,773	9,005	118,778

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

	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Other Income			
Waived Family Fees for Certified Children	75,161		75,161
Interest Earned on Child Development Apportionment Payments			0
Unrestricted Income: Fees for Non-Certified Children			0
Unrestricted Income: Head Start			0
Other:			0
Other:			0

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	979,789	(3,200)	976,589
2000 Classified Salaries	165,031	(17,919)	147,112
3000 Employee Benefits	259,053	24,409	283,462
4000 Books and Supplies	115,463	322,004	437,467
5000 Services and Other Operating Expenses	342,789	(27,216)	315,573
6100/6200 Other Approved Capital Outlay	399,820	(399,820)	0
6400 New Equipment (program-related)		118,538	118,538
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)	186,214	29,806	216,020
TOTAL REIMBURSABLE EXPENSES	2,448,159	49,279	2,497,438

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

Approved Indirect Cost Rate: 17.058

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)	298,026	35,595	333,621
Total Staff Training Cost (included in Reimbursable Expenses)	13,345		13,345

☐ 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	66,400		66,400
Other:			0
TOTAL SUPPLEMENTAL REVENUE	66,400	0	66,400

Supplemental Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
1000 Certificated Salaries	36,400		36,400
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies	30,000	(6,000)	24,000
5000 Services and Other Operating Expenses		6,000	6,000
6000 Equipment / Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses			0
TOTAL SUPPLEMENTAL EXPENSES	66,400	0	66,400

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)	16,076	0	16,076
Days of Operation	239	0	239
Days of Attendance (including MHCS)	14,957	0	14,957
Total Certified Adjusted Days of Enrollment	N/A	N/A	24,657.6027
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	0.0000
Restricted Program Income	109,773	9,005	118,778
Transfer from Preschool Reserve Account	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	2,448,159	49,279	2,497,438
Total Administrative Cost	298,026	35,595	333,621
Total Staff Training Cost	13,345	0	13,345
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-2564

California State Preschool Program – Form 2
Certified Children Receiving Mental Health Consultation Services
Days of Enrollment and Attendance

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 Old Full-time-plus			0	2.2240	0.0000
Three Years Old Full-time	3,261		3,261	1.9000	6,195.9000
Three Years Old Part-time	898		898	1.2524	1,124.6552
Four Years and Older Full-time-plus			0	1.2800	0.0000
Four Years and Older Full-time	248		248	1.1000	272.8000
Four Years and Older Part-time	470		470	0.7402	347.8940
Exceptional Needs Full-time-plus			0	2.9320	0.0000
Exceptional Needs Full-time	2,018		2,018	2.5000	5,045.0000
Exceptional Needs Part-time	89		89	1.6365	145.6485
Dual Language Learner Full-time-plus	8,567		8,567	1.5160	12,987.5720
Dual Language Learner Full-time	525		525	1.3000	682.5000
Dual Language Learner Part-time			0	0.7402	0.0000

Contractor Name: Community Bridges

Contract Number: CSPP-2564

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
At Risk of Abuse or Neglect Full-time-plus			0	1.3980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.2000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.7402	0.0000
Severely Disabled Full-time-plus			0	2.9320	0.0000
Severely Disabled Full-time			0	2.5000	0.0000
Severely Disabled Part-time			0	1.6365	0.0000
TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES	16,076	0	16,076	N/A	26,801.9697

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	14,957		14,957	N/A	N/A

Enter the sum of Total Certified Days of Enrollment with Mental Health Consultation Services from all Form 2s in the Total Certified Days of Enrollment with Mental Health 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
Audited Preschool Reserve Account Activity Report

Fiscal Year Ending: June 30, 2023
Vendor Code: B671

Contractor Name: Community Bridges

Section 1 – Prior Year Reserve Account Activity

1. Beginning Balance (2021–22 AUD 9530A Ending Balance): 0

2. Plus Transfers to Reserve Account:

2021–22 Contract No.	Per 2021–22 Post-Audit EENFS 9530
Total Transferred from 2021–22 Contracts	0

3. Less Excess Reserve to be Billed:

4. 2021–22 EENFS 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

6. Less Transfers to Contracts from Reserve:

2022–23 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, 2023	0	0	0

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

COMMUNITY BRIDGES
STATEMENT OF FINANCIAL POSITION - MEASURE D FUNDING
JUNE 30, 2023

ASSETS

Current Assets	
Cash	\$ 756,575
	<hr/>
Total Current Assets	756,575
	<hr/>
TOTAL ASSETS	\$ 756,575
	<hr/> <hr/>

LIABILITIES AND NET ASSETS

Current Liabilities	
	\$ -
	<hr/>
Total Current Liabilities	-
	<hr/>
Other Liabilities	
Reserve Fund	756,575
	<hr/>
TOTAL LIABILITIES	756,575
	<hr/>
Net Assets	
Net Assets without Donor Restrictions	-
	<hr/>
TOTAL NET ASSETS	-
	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 756,575
	<hr/> <hr/>

COMMUNITY BRIDGES
STATEMENT OF ACTIVITIES - MEASURE D FUNDING
FOR THE YEAR ENDED JUNE 30, 2023

Changes in Net Assets Without Donor Restrictions

Revenue and Support	
Measure D Funding	\$ 1,061,746
Interest Income	21,988
Transfer to Measure D Reserve Fund	(66,572)
TOTAL REVENUES AND SUPPORT	<u>1,017,162</u>
Expenses	
Driver Personnel	342,626
Driver Training	42,201
Admin Assistant/Dispatch	44,144
Outreach/Publicity	5,833
Consultants/Project Management	9,157
Operations Facility	537,977
Vehicle & Equipment	<u>35,224</u>
TOTAL EXPENSES	<u>1,017,162</u>
INCREASE/(DECREASE) IN NET ASSETS	<u>-</u>
NET ASSETS AT BEGINNING OF YEAR	<u>-</u>
NET ASSETS AT END OF YEAR	<u><u>\$ -</u></u>

COMMUNITY BRIDGES
STATEMENT OF FINANCIAL POSITION - Transportation Development Act
JUNE 30, 2023

ASSETS

Current Assets	
Cash	\$ 130,038
	<u>130,038</u>
Total Current Assets	<u>130,038</u>
TOTAL ASSETS	<u>\$ 130,038</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
	\$ -
Total Current Liabilities	<u>-</u>
Other Liabilities	
Reserve Fund	<u>130,038</u>
TOTAL LIABILITIES	<u>130,038</u>
Net Assets	
Net Assets without Donor Restrictions	<u>-</u>
TOTAL NET ASSETS	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 130,038</u>

COMMUNITY BRIDGES
STATEMENT OF ACTIVITIES - TDA, STA, Lift Line CTSA
FOR THE YEAR ENDED JUNE 30, 2023

Changes in Net Assets Without Donor Restrictions	<u>TDA</u>	<u>STA</u>	<u>All Other</u>	<u>Total Lift Line CTSA</u>
Revenue and Support				
Revenues	\$ 998,843	\$ 294,221	\$ 1,855,662	\$ 3,148,726
Taxi Sceipt	10,781			10,781
Transfer to TDA Reserve Fund	(26,711)			(26,711)
TOTAL REVENUES AND SUPPORT	<u>982,913</u>	<u>294,221</u>	<u>1,855,662</u>	<u>3,132,795</u>
Expenses				
Salaries/Wages	294,344	185,017	449,843	929,203
Benefits	65,608	45,303	115,367	226,278
Professional Services	68,736	784	54,104	123,624
Transporation	180,636	-	1,828	182,463
Maintenance/Utiiities/Renovation	9,293	928	14,587	24,808
Supplies	16,044	1,054	14,449	31,547
Media/Advertising/Printing	31,207	465	9,450	41,122
Communication	4,110	979	6,384	11,472
Training, Taxes, Insurance	30,824	3,217	71,212	105,253
Misc	757	201	7,949	8,907
Vehicle Operating/Maintenance	79,456	13,398	50,617	143,472
Fixed Assets / Depreciation	68,687	-	835,716	904,402
Interest	-	-	80,214	80,214
Indirect	133,210	42,875	93,577	269,662
TOTAL EXPENSES	<u>982,913</u>	<u>294,221</u>	<u>1,805,295</u>	<u>3,082,429</u>
INCREASE/(DECREASE) IN NET ASSETS	<u>-</u>	<u>-</u>	<u>50,367</u>	<u>50,367</u>
NET ASSETS AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>(86,780)</u>	<u>(86,780)</u>
NET ASSETS AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,413)</u>	<u>\$ (36,413)</u>