

COMMUNITY RESOURCES FOR CHILDREN

**REPORT ON EXAMINATION
OF FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION**

YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

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November 2, 2016

Board of Directors
Community Resources for Children
Napa, California

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of **Community Resources for Children**, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Community Resources for Children**, as of June 30, 2016, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of Federal and State Awards, 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 combining statements of financial position and activities, and the supplemental reporting requirements of the California Department of Education found on pages 23 to 35 of this report, are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements taken as a whole.

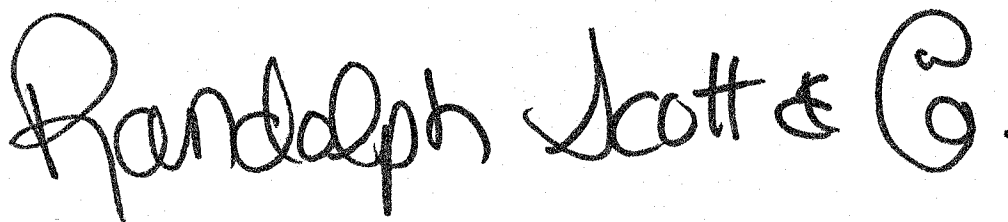
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2016 on our consideration of **Community Resources for Children's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* in considering **Community Resources for Children's** internal control over financial reporting and compliance.

Board of Directors
Community Resources for Children
November 2, 2016

Report on Summarized Comparative Information

We have previously audited the **Community Resources for Children's** 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 25, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Randolph Scott & Co." with a stylized flourish at the end.

Certified Public Accountants, Inc.
Novato, California

COMMUNITY RESOURCES FOR CHILDREN
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016
(With Comparative Total for 2015)

<u>ASSETS</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total All Funds 2016</u>	<u>Total All Funds 2015</u>
CURRENT ASSETS:				
Cash and Cash Equivalents (Note A)	\$ 423,758	\$ 62,288	\$ 486,046	\$ 366,176
Accounts and Grants Receivable (Note D)	112,289		112,289	145,368
Prepaid Expenses	11,828		11,828	17,750
Total Current Assets	<u>547,875</u>	<u>62,288</u>	<u>610,163</u>	<u>529,294</u>
 PROPERTY AND EQUIPMENT (Note E)	 <u>4,780</u>	 <u></u>	 <u>4,780</u>	 <u>4,180</u>
 TOTAL ASSETS	 <u>\$ 552,655</u>	 <u>\$ 62,288</u>	 <u>\$ 614,943</u>	 <u>\$ 533,474</u>
 <u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts Payable	\$ 30,263	\$	\$ 30,263	\$ 26,231
Accounts Payable - Providers	201,714		201,714	168,918
Accrued Expenses	18,751		18,751	24,859
Deferred Revenue	129,503		129,503	115,070
CDE Reserve (Note F)	2		2	2
Total Current Liabilities	<u>380,233</u>	<u>-</u>	<u>380,233</u>	<u>335,080</u>
 COMMITMENTS AND CONTINGENCIES (Note I)				
TOTAL LIABILITIES	<u>380,233</u>	<u>-</u>	<u>380,233</u>	<u>335,080</u>
 NET ASSETS:				
Unrestricted	172,422		172,422	152,623
Temporarily Restricted Net Assets (Note B)		62,288	62,288	45,771
TOTAL NET ASSETS	<u>172,422</u>	<u>62,288</u>	<u>234,710</u>	<u>198,394</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 552,655</u>	 <u>\$ 62,288</u>	 <u>\$ 614,943</u>	 <u>\$ 533,474</u>

See Notes To Financial Statements.

COMMUNITY RESOURCES FOR CHILDREN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

	Unrestricted	Temporarily Restricted	Total All Funds 2016	Total All Funds 2015
REVENUES, GAINS, AND OTHER SUPPORT:				
Grant Income:				
Federal Programs	\$ 1,169,466	\$	\$ 1,169,466	\$ 1,242,320
State Programs	1,473,247		1,473,247	1,190,314
County and Other Grants	444,722	54,001	498,723	648,200
Family Fees	86,076		86,076	72,794
Contributions	63,550		63,550	29,068
Interest Income	54		54	56
Rental Income	22,069		22,069	20,475
Other Income	7,771		7,771	19,494
Net Assets Released From Restrictions (Note C):				
Satisfaction of Program Restrictions	37,484	(37,484)	-	-
Expiration of Time Restrictions	-	-	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT:	3,304,439	16,517	3,320,956	3,222,721
EXPENSES:				
Resource and Referral	177,395		177,395	177,451
Alternative Payment Programs	2,092,804		2,092,804	1,753,529
Support Programs from CDE	37,609		37,609	42,922
CalWorks Stage 1 Program	441,340		441,340	552,146
Non-CDE Programs	469,005		469,005	609,301
Support Services	67,087		67,087	81,116
TOTAL EXPENSES	3,285,240	-	3,285,240	3,216,465
CHANGE IN NET ASSETS	19,199	16,517	35,716	6,256
CHANGES TO NET ASSETS:				
Additions / Dispositions of Equipment	1,875		1,875	4,501
Depreciation of Equipment	(1,275)		(1,275)	(321)
NET ASSETS, Beginning of Year	152,623	45,771	198,394	187,958
NET ASSETS, End of Year	\$ 172,422	\$ 62,288	\$ 234,710	\$ 198,394

See Notes To Financial Statements.

COMMUNITY RESOURCES FOR CHILDREN
COMBINED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

	<u>Total All Funds 2016</u>	<u>Total All Funds 2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 35,716	\$ 6,256
Adjustments to Reconcile Net Revenue and Support to Cash Provided by Operating Activities:		
Depreciation, net of amount charged to restricted net assets (Note E)	-	1,076
(Increase) / Decrease in Assets:		
Accounts and Grants Receivable	33,079	36,224
Prepaid Expenses	5,922	(1,601)
Increase / (Decrease) in Liabilities:		
Accounts Payable	4,032	(6,552)
Accounts Payable - Providers	32,796	8,936
Accrued Expenses	(6,108)	(867)
Deferred Revenue	14,433	38,029
CDE Reserve	-	-
Total Adjustments	<u>84,154</u>	<u>75,245</u>
Net Cash Provided (Used) By Operating Activities:	<u>119,870</u>	<u>81,501</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Improv & Equipment, net of amounts charged to Net Assets	<u>-</u>	<u>-</u>
Net Cash Provided (Used) By Investing Activities:	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Cash Provided (Used) By Financing Activities:	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>119,870</u>	<u>81,501</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>366,176</u>	<u>284,675</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 486,046</u>	<u>\$ 366,176</u>

See Notes To Financial Statements.

COMMUNITY RESOURCES FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Community Resources for Children, (the Agency) was incorporated as a nonprofit corporation in 1978 to mobilize and coordinate the resources of Napa County to assure maximum public, private, agency and individual commitment to provide quality child care and related services to the children the families and the community of Napa County. The Agency is supported primarily by the Department of Education, and other government grants as well as support from other nonprofit organizations.

Major Programs

Resource and Referral – The Resource and Referral programs provide child care referrals and other child care information as well as support and services to parents and the community.

Child Care/Alternative Payment – Child Care Payment Programs subsidize the child care costs of qualified low-income parents while they are working, looking for employment, in school or training.

CalWorks Stage 1 – Provides child care subsidies for CalWorks Stage 1 families in the County of Napa.

Basis of Accounting and Reporting

Accounting Method

The Agency maintains its accounting records on the accrual basis.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Agency, the accounts of the Agency are maintained in accordance with the principles of fund accounting. Fund accounting is the procedures by which resources for the various programs are classified for accounting and reporting according to the activities and objectives specified by donors, grantors, and governing boards. Separate accounts are maintained for each fund.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net assets, and revenue and expenses for the reporting period. Actual results could differ from those estimates.

COMMUNITY RESOURCES FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Fair Values of Financial Instruments

The following methods and assumptions were used to estimate the fair value of financial instruments:

Cash and cash equivalents: The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

Accounts receivable and deferred revenue: The carrying amounts of accounts receivable and accounts payable in the balance sheet approximates fair value.

Concentration of Revenue Sources

During the year ended June 30, 2016, the Agency had two major revenue funding sources. The California Department of Education accounted for approximately 67%, while the County of Napa accounted for approximately 13% of the total revenue.

Concentration of Credit Risk

Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of uninsured cash balances. The Agency places its cash deposits with high-credit, quality financial institutions. At times, balances in the Agency's cash accounts may exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$ 250,000. Uninsured balances at June 30, 2016 were approximately \$334,000.

Cash and Cash Equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of their acquisition date. Not included as cash equivalents are funds restricted as to their use, regardless of liquidity or the maturity dates of investments.

Accounts Receivable

In the opinion of management, all account receivable are collectable in full as the amounts recorded are due from governmental grantors and in accordance with the respective contracts. Therefore no allowance for bad debts is provided.

COMMUNITY RESOURCES FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Prepaid Expenses

Prepaid expense balances are calculated and adjusted monthly to properly charge funds in the period benefited.

Property and Equipment

As further discussed in Note E, property and equipment purchased with unrestricted funds are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the related assets. The Agency's policy is to capitalize assets with a per unit cost of \$1,000 or greater. Fixed assets and capital improvements funded by restricted grants are recorded as expenditures in the year of acquisition in accordance with the grantor's funding terms and conditions. The capital expenditures are then recapitalized, and depreciation is charged to offset the government owned liability. The individual funders or grantors retain title to those assets based on the terms and conditions of the grants.

Accrued Vacation and Sick Leave Benefits

Accumulated unpaid employee vacation benefits are recognized as liability of the Agency. Paid personal time off is based on the number of years of an eligible employee's continuous employment. The value of accumulated vacation benefits as of June 30, 2016 was \$15,503.

Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulate sick leave. Accumulated employee sick leave benefits are not recognized as a liability of the Agency since payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenditures in the period the benefits are taken.

Revenue Recognition

Contributions and unconditional grants are recognized as support and revenues when they are received or unconditionally pledged. These contributions and gifts are shown as restricted support and revenues if they are subject to time or donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is accomplished, or both. However, temporarily restricted contributions and grants are reported as unrestricted support and revenues if the restriction is met in the same year that the gift is received.

Conditional contributions are not recorded as support and revenues until the conditions are met. Payments classified as exchange transactions (reciprocal transfers between two entities in which goods and services of equal value is exchanged) are not recorded as other support and revenue until allowable expenditures are incurred.

COMMUNITY RESOURCES FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Presentation of Expenses

The statement of activities contains information about the costs associated with the Agency's services and how it uses its resources. This results in the expenses being reported by the Agency's major programs. The expenses of the Agency as allocated by their functional and natural classification are as follows:

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising Activities</u>	<u>Total</u>
Personnel Costs	\$ 532,510	\$ 231,607	\$ 44,138	\$ 808,255
Provider Payments	2,078,616	-	-	2,078,616
Occupancy	111,161	91,895		203,056
Other Goods & Services	128,752	55,328	11,233	195,313
	<u>\$ 2,851,039</u>	<u>\$ 378,830</u>	<u>\$ 55,371</u>	<u>\$ 3,285,240</u>

Allocation of Expenses

The costs of operating the various programs and other activities have been summarized in the combining statement of activities. As further discussed in Note G, certain costs have been allocated among the programs benefited based upon the Agency's cost allocation plan.

Income Taxes

The Agency is exempt from Federal and State income tax under Section 501 (c)(3) of the Internal Revenue Code, and Section 23701(d) of the State of California Revenue and Taxation Code.

Generally accepted accounting principles provide accounting and disclose guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Agency in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Agency's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

Summarized Financial Information For 2015:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

COMMUNITY RESOURCES FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

NOTE B – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are part of the net assets of the Agency resulting from contributions and other inflows of assets whose use by the Agency is limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations. At June 30, 2016, temporarily restricted net assets consisted of the following:

Toy Library	\$	41,575
Other		<u>20,713</u>
Total Temporarily Restricted Net Assets	\$	<u><u>62,288</u></u>

NOTE C – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net Assets are released from donor restrictions by incurring expenses, satisfying the restricted purposes or by occurrence of other events specified by donors. For the year ended June 30, 2016, temporarily restricted net assets that were released from donor restrictions are as follows:

Toy Library	\$	35,260
Other		<u>2,224</u>
	\$	<u><u>37,484</u></u>

NOTE D – ACCOUNTS AND GRANTS RECEIVABLE

At June 30, 2016, accounts and grants receivable consisted of the following:

County of Napa	\$	35,354
California of Dept. of Education		<u>76,935</u>
Total Accounts and Grants Receivable:	\$	<u><u>112,289</u></u>

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2016 consisted of the following:

	<u>Cost or</u> <u>Basis</u>	<u>Accum.</u> <u>Depreciation</u>	<u>Net</u> <u>Book Value</u>
Furniture & Equipment	\$ 23,354	\$ 18,574	\$ 4,780
Vehicle	<u>5,380</u>	<u>5,380</u>	-
	<u><u>\$ 28,734</u></u>	<u><u>\$ 23,954</u></u>	<u><u>\$ 4,780</u></u>

The depreciation for the year ended June 30, 2016 was \$1,275 all of which was charged directly to restricted net assets.

COMMUNITY RESOURCES FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

NOTE F – STATE CHILD DEVELOPMENT RESERVES

Child development contractors with the California Department of Education (CDE) are allowed, with prior CDE approval, to maintain a reserve account from earned but unexpended child development contract funds for three types of programs: Center Based, Resource and Referral, and Alternative Payment. Transfers from a reserve account are considered restricted income for child development programs, but may be applied to any of the contracts that are eligible to contribute to that particular program type. The Agency maintains one reserve account for Alternative Payment contracts, and funds are deposited into an interest bearing account. The CDE analyst has calculated a transfer into the AP reserves based on June reports. However, the transfer is not finalized until the audit is closed.

As of June 30, 2016, the balance for the CDE reserve account was \$2.

NOTE G – ALLOCATION OF EXPENSES

The Agency updates its cost allocation plans annually or more frequently when there is a need due to changes in program enrollment or other cost drivers. The cost allocation plan is reviewed by the Agency's auditors for compliance with applicable laws and regulations. The Fiscal Manager and Executive Director of the Agency review the cost allocation plan annually. Its written cost allocation plan, including descriptions and percentages is on file in the organization's main accounting office. The Agency applies several methods for allocating costs:

Direct Costs. Costs identified 100 percent to a specific program are charged directly to that program.

Shared Costs. Costs identified to specific multiple programs or activities are shared between the programs benefitting.

- Payroll costs are allocated using individual time distribution records that report the actual time spent by employees in each program each day.
- Rent and associated utilities, maintenance, and insurance are allocated using the square footage of building space occupied by each program, according to floor plans and/or room measurements. Cost of common areas is shared based on the percentage of square footage occupied by each program.
- Office expenses such as supplies, postage and printing are allocated based on a transaction analysis of each of the programs.
- Other expenses such as office supplies, advertising, consultants, dues/fees and memberships are allocated based on the percentage of direct operating expenses by each program to the total operating expenses of the Agency.

COMMUNITY RESOURCES FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

NOTE H – RETIRMENT PLAN

The Agency has established a tax deferred annuity policy under IRS Section 125. The plan maintains a contributory retirement program which is available to all eligible employees. The Agency makes no contributions to the plan.

NOTE I – COMMITMENTS AND CONTINGENCY

Commitments

The Agency conducts its operations at leased facilities. In addition, the Agency has operating lease agreements for their copier and postage meter. Future obligations under lease agreements in excess of one year as of the date of the audit report are:

Future obligations on non-cancelable leases are as follows:

Year Ending:	<u>Building</u>	<u>Equipment</u>	<u>Total</u>
June 30, 2017	\$ 182,655	\$ 11,942	\$ 194,597
June 30, 2018	<u>187,649</u>	<u>8,447</u>	<u>196,096</u>
	\$ <u>370,304</u>	\$ <u>20,389</u>	\$ <u>390,693</u>

Total rent and associated utilities expense for the year ended June 30, 2016 was \$191,327.

Contingency

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Agency deems this contingency remote since by accepting the grants and their terms it has accommodated the objectives of the organization to the provisions of the grants. The Agency's management is of the opinion that the organization has complied with the terms of all grants.

NOTE J – SUBSEQUENT EVENTS

The Agency has evaluated their financial position and activities from the June 30, 2016 year end of this report through November 2, 2016, which is the date that the financial statements were available to be issued. No material subsequent event items that required recognition or disclosure were identified.

ADDITIONAL INFORMATION

COMMUNITY RESOURCES FOR CHILDREN
SCHEDULE OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2016

Grantor / Pass-Through Grantor / or Program Title	Federal CFDA Number	Entity Identifying Number	Grant Award Amount			Revenue Earned / Expenditures		
			Federal	State	Total	Federal	State	Total
U.S. Department of Health & Human Services:								
<i>Pass-Through Program From:</i>								
<i>California Department of Education-</i>								
Resource & Referral	93.575	CRRP-5037	\$ 15,065	\$ 162,020	\$ 177,085	\$ 15,065	\$ 162,020	\$ 177,085
Child Care Initiative Project	93.575	CCIP-5037	22,000	2,444	24,444	22,000	2,444	24,444
CCDF Health & Safety	93.575	CHST-5037	1,452	-	1,452	1,452	-	1,452
Alternative Payment	93.596	CAPP-5040	443,592	210,101	653,693	443,592	207,842	651,434
Alternative Payment - Stage 2	--	C2AP-5037	-	881,761	881,761	-	881,761	881,761
Alternative Payment - Stage 3	93.575/93.596	C3AP-5036	247,484	223,379	470,863	244,244	222,420	466,664
<i>County of Napa</i>								
CalWorks, Stage 1	93.558	4000	600,691	-	600,691	439,873	-	439,873
<i>Total U. S. Department of Health & Human Services</i>			<u>\$ 1,330,284</u>	<u>\$ 1,479,705</u>	<u>\$ 2,809,989</u>	<u>\$ 1,166,226</u>	<u>\$ 1,476,487</u>	<u>\$ 2,642,713</u>
Total Federal and State Awards			<u>\$ 1,330,284</u>	<u>\$ 1,479,705</u>	<u>\$ 2,809,989</u>	<u>\$ 1,166,226</u>	<u>\$ 1,476,487</u>	<u>\$ 2,642,713</u>

Note 1. Basis of Presentation:

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Community Resources for Children, and is presented on the accrual basis of accounting. The Federal information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. De Minimis Cost Rate:

The Agency did not use the 10% de minimis cost rate within their financial statements.

COMMUNITY RESOURCES FOR CHILDREN
COMBINING STATEMENT OF ACTIVITIES - OPERATING PROGRAMS
YEAR ENDED JUNE 30, 2016
(With Comparative Totals for 2015)

	Resource & Referral Programs	Alternative Payment Programs	CDE Support Programs	Subtotal CDE Programs	CalWorks Stage 1 Program	Non-CDE Programs	Support Services	Total Year Ended 6/30/2016	Comparative Year Ended 6/30/2015
REVENUE:									
Grant Income:									
Federal Programs	\$ 15,065	\$ 687,836	\$ 23,452	\$ 726,353	\$ 439,873	\$ -	\$ -	\$ 1,166,226	\$ 1,242,320
State Programs	162,020	1,312,023	2,444	1,476,487	-	-	-	1,476,487	1,190,314
County and Other Grants	-	-	4,888	4,888	-	477,318	-	482,206	624,785
Family Fees	-	86,076	-	86,076	-	-	-	86,076	72,794
Contributions	-	-	-	-	-	4,479	59,071	63,550	59,857
Interest Income	-	-	-	-	-	-	54	54	56
Rental Income	-	-	-	-	-	22,069	-	22,069	20,475
Other Income	143	-	-	143	-	4,026	3,602	7,771	19,494
Total Revenue:	<u>177,228</u>	<u>2,085,935</u>	<u>30,784</u>	<u>2,293,947</u>	<u>439,873</u>	<u>507,892</u>	<u>62,727</u>	<u>3,304,439</u>	<u>3,230,095</u>
EXPENSES:									
Provider payments	-	1,726,718	-	1,726,718	351,898	-	-	2,078,616	1,898,094
Provider incentives	-	-	1,061	1,061	-	56,154	-	57,215	69,774
Salaries	113,056	199,432	25,596	338,084	50,774	260,076	43,040	691,974	742,570
Payroll tax expenses	9,951	17,641	2,296	29,888	4,449	24,054	3,380	61,771	66,238
Employee benefits	7,000	20,689	1,582	29,271	5,238	16,967	3,034	54,510	66,921
Consultants and contracts	446	19,441	60	19,947	4,206	1,510	-	25,663	23,035
Materials and supplies	764	4,166	54	4,984	736	17,595	2,903	26,218	47,689
Equipment and Software	-	-	-	-	-	-	1,875	1,875	4,501
Travel and conferences	814	534	243	1,591	113	2,050	307	4,061	11,916
Equipment lease/maintenance	1,200	3,667	433	5,300	987	3,164	336	9,787	13,311
Dues, memberships, and Fees	6,598	13,207	26	19,831	2,457	4,254	2,198	28,740	25,452
Training and seminars	2,894	1,646	136	4,676	476	1,991	-	7,143	19,542
Occupancy	30,253	71,244	3,416	104,913	16,110	70,304	-	191,327	185,221
Insurance	1,975	3,903	223	6,101	1,340	4,288	-	11,729	12,384
Postage and printing	258	3,231	6	3,495	953	67	64	4,579	4,949
Telephone	477	3,032	355	3,864	711	2,585	-	7,160	7,137
Depreciation	-	-	-	-	-	-	-	-	1,076
Fundraising	-	-	-	-	-	-	9,950	9,950	2,393
Other operating expenses	1,709	4,253	2,122	8,084	892	3,946	-	12,922	14,262
Total Expenses	<u>177,395</u>	<u>2,092,804</u>	<u>37,609</u>	<u>2,307,808</u>	<u>441,340</u>	<u>469,005</u>	<u>67,087</u>	<u>3,285,240</u>	<u>3,216,465</u>
CHANGE IN NET ASSETS:	<u>\$ (167)</u>	<u>\$ (6,869)</u>	<u>\$ (6,825)</u>	<u>\$ (13,861)</u>	<u>\$ (1,467)</u>	<u>\$ 38,887</u>	<u>\$ (4,360)</u>	<u>\$ 19,199</u>	<u>\$ 13,630</u>

COMMUNITY RESOURCES FOR CHILDREN
COMBINING STATEMENT OF ACTIVITIES - CDE CONTRACTS
YEAR ENDED JUNE 30, 2016

	Resource & Referral CRRP-5037	Alternative Programs			CDE Support Programs		Total Year Ended 6/30/2016
		Alternative Payment CAPP-5040	Alternative Payment C2AP-5037	Alternative Payment C3AP-5036	Child Care Initiative Project CCIP-5037	Healthy & Safety CHST-5037	
REVENUE:							
Grant Income:							
Federal Programs	\$ 15,065	\$ 443,592	\$ -	\$ 244,244	\$ 22,000	\$ 1,452	\$ 726,353
State Programs	162,020	207,842	881,761	222,420	2,444	-	1,476,487
County and Other Grants	-	-	-	-	4,888	-	4,888
Family Fees	-	9,551	41,585	34,940	-	-	86,076
Miscellaneous Income	143	-	-	-	-	-	143
Total Revenue:	<u>177,228</u>	<u>660,985</u>	<u>923,346</u>	<u>501,604</u>	<u>29,332</u>	<u>1,452</u>	<u>2,293,947</u>
EXPENSES:							
Provider payments	-	548,977	765,120	412,621	-	-	1,726,718
Provider incentives	-	-	-	-	-	1,061	1,061
Salaries	113,056	58,646	86,720	54,066	25,365	231	338,084
Payroll tax expenses	9,951	5,276	7,623	4,742	2,275	21	29,888
Employee benefits	7,000	6,103	8,986	5,600	1,569	13	29,271
Consultants and contracts	446	6,201	8,574	4,666	52	8	19,947
Materials and supplies	764	1,429	1,874	863	45	9	4,984
Equipment and Software	-	-	-	-	-	-	-
Travel and conferences	814	170	233	131	243	-	1,591
Equipment lease/maintenance	1,200	1,041	1,597	1,029	178	255	5,300
Dues, memberships, and Fees	6,598	6,079	4,434	2,694	17	9	19,831
Training and seminars	2,894	453	715	478	136	-	4,676
Occupancy	30,253	22,254	31,134	17,856	3,390	26	104,913
Insurance	1,975	1,170	1,723	1,010	222	1	6,101
Postage and printing	258	924	1,360	947	6	-	3,495
Telecommunications	477	941	1,326	765	354	1	3,864
Depreciation	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-
Other operating expenses	1,709	1,321	1,927	1,005	2,122	-	8,084
Total Expenses	<u>177,395</u>	<u>660,985</u>	<u>923,346</u>	<u>508,473</u>	<u>35,974</u>	<u>1,635</u>	<u>2,307,808</u>
CHANGE IN NET ASSETS:	\$ <u>(167)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(6,869)</u>	\$ <u>(6,642)</u>	\$ <u>(183)</u>	\$ <u>(13,861)</u>



RANDOLPH SCOTT & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, INC.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matter Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

November 2, 2016

Independent Auditor's Report

Board of Directors
Community Resources for Children
Napa, California

We have audited, 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, the financial statements of **Community Resources for Children**, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated CHANGETHEDATEPLEASE.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Community Resources for Children's** 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 Resources for Children's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Community Resources for Children's** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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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**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matter Based on an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Community Resources for Children's** financial statements are free of 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants, Inc.
Novato, California



RANDOLPH SCOTT & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, INC.

**Report on Compliance for Each Major Federal Program; and
Report on Internal Control Over Compliance
Required by the Uniform Guidance**

November 2, 2016

Independent Auditor's Report

Board of Directors
Community Resources for Children
Napa, California

Report on Compliance for Each Major Federal Program

We have audited **Community Resources for Children's** compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of **Community Resources for Children's** major federal programs for the year ended June 30, 2016. **Community Resources for Children's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of **Community Resources for Children's** major federal programs based on our audit of the type of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Community Resources for Children's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, **Community Resources for Children** complied, in all material respects, with the

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**Report on Compliance for Each Major Federal Program; and
Report on Internal Control Over Compliance
Required by the Uniform Guidance**

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, 2016.

Report on Internal Control Over Compliance

The management of **Community Resources for Children** 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, we considered **Community Resources for Children**'s internal control over compliance with the types of requirements that could have a direct and material effect on a 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 Resources for Children**'s 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 non compliance 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 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 the 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.


Certified Public Accountants, Inc.

Novato, California

SUPPLEMENTAL REPORTING REQUIREMENTS
OF THE
CALIFORNIA DEPARTMENT OF EDUCATION

COMMUNITY RESOURCES FOR CHILDREN

GENERAL INFORMATION

YEAR ENDED JUNE 30, 2016

Agency Name: Community Resources for Children

Address of Agency: 3299 Claremont Way, Suite 1
Napa, CA 94558

Type of Agency: California Nonprofit Public Benefit
Corporation

California Department of Education,
Project Numbers: Alternative Payment-Stage 2 C2AP-5037
Alternative Payment-Stage 3 C3AP-5036
Alternative Payment CAPP-5040
Child Care Initiative Project. CCIP-5037
CCDF Health & Safety CHST-5037
Resource & Referral CRRP-5037

Executive Director: Erika Lubensky

Report Period: Fiscal Year ended June 30, 2016

Schedule of Daily Hours: Varied

Number of Days of Operation: 246 Days

CALIFORNIA STATE DEPARTMENT OF EDUCATION
ALTERNATIVE PAYMENT AND RESOURCE & REFERRAL PROGRAMS
COMMUNITY RESOURCES FOR CHILDREN
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
YEAR ENDED JUNE 30, 2016

	Resource & Referral CRRP-5037	Alternative Payment CAPP-5040	Alternative Payment Stage 2 C2AP-5037	Alternative Payment Stage 3 C3AP-5036	Subtotal Alternative Payment Programs
Direct payments to providers	\$	\$	\$	\$	\$
1000 Certificated Salaries	19,092	8,871	13,128	8,203	30,202
2000 Classified Salaries	93,964	49,775	73,592	45,863	169,230
3000 Employee Benefits	16,951	11,379	16,609	10,342	38,330
4000 Books and Supplies	764	1,429	1,874	863	4,166
5000 Services and Other Operating Expenses	46,481	40,554	53,023	30,581	124,158
6100/6200 Other approved capital outlay					
6400 New equipment					
6500 Replacement equipment					
Depreciation					
Start-up expenses-service level exemption					
Indirect costs					
Total expenses claimed for reimbursement	\$ 177,252	\$ 660,985	\$ 923,346	\$ 508,473	\$ 2,092,804
Supplemental expenses	143				-
Total Expenditures	\$ 177,395	\$ 660,985	\$ 923,346	\$ 508,473	\$ 2,092,804

We have examined the claims filed for reimbursement and the original 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.

CALIFORNIA STATE DEPARTMENT OF EDUCATION
SUPPORT PROGRAMS
COMMUNITY RESOURCES FOR CHILDREN
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
YEAR ENDED JUNE 30, 2016

	Child Care Initiative Project CCIP-5037	CCIP Match Fund	Subtotal Child Care Initiative Project	CCDF Health & Safety CHST-5037	Subtotal from Page 24	Total CDE Program
Direct payments to providers	\$ -	\$ -	\$ -	\$ -	\$ 1,726,718	\$ 1,726,718
1000 Certificated Salaries	3,758	-	3,758	-	47,067	50,825
2000 Classified Salaries	18,732	2,875	21,607	231	265,421	287,259
3000 Employee Benefits	3,535	309	3,844	34	55,281	59,159
4000 Books and Supplies	45		45	9	4,930	4,984
5000 Services and Other Operating Expenses	5,016	1,704	6,720	1,361	170,639	178,720
6100/6200 Other approved capital outlay						
6400 New equipment						
6500 Replacement equipment						
Depreciation						
Start-up expenses-service level exemption						
Indirect costs						
Total expenses claimed for reimbursement	\$ 31,086	\$ 4,888	\$ 35,974	\$ 1,635	\$ 2,270,056	\$ 2,307,665
Supplemental expenses					143	143
Total Expenditures	\$ 31,086	\$ 4,888	\$ 35,974	\$ 1,635	\$ 2,270,199	\$ 2,307,808

We have examined the claims filed for reimbursement and the original 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 RESOURCES FOR CHILDREN
SCHEDULE OF EQUIPMENT EXPENDITURES
AND SCHEDULE EXPENDITURES FOR RENOVATION AND REPAIRS
YEAR ENDED JUNE 30, 2016

EQUIPMENT EXPENDITURES

UNIT COST UNDER \$7,500 PER ITEM -

None.

UNIT COST OVER \$7,500 PER ITEM
WITH PRIOR WRITTEN APPROVAL -

None.

UNIT COST OVER \$7,500 PER ITEM
WITHOUT PRIOR WRITTEN APPROVAL -

None.

TOTAL EQUIPMENT EXPENDITURES

\$ -

RENOVATION AND REPAIRS

UNIT COST UNDER \$10,000 PER ITEM -

None.

UNIT COST \$10,000 OR MORE PER ITEM
WITH PRIOR WRITTEN APPROVAL -

None.

UNIT COST \$10,000 OR MORE PER ITEM
WITHOUT PRIOR WRITTEN APPROVAL -

None.

TOTAL RENOVATIONS & REPAIRS

\$ -

NOTE: Agency's Capitalization Threshold is \$1,000.

COMMUNITY RESOURCES FOR CHILDREN
COMBINING SCHEDULE OF ADMINISTRATIVE COSTS
RELATING TO CALIFORNIA DEPARTMENT OF EDUCATION PROGRAMS
YEAR ENDED JUNE 30, 2016

	Alternative Payment <u>CAPP-5040</u>	Alt. Payment Stage 2 <u>C2AP-5037</u>	Alt. Payment Stage 3 <u>C3AP-5036</u>	Child Care Initiative Proj. <u>CCIP-5037</u>	Health & Safety <u>CHST-5037</u>	<u>Total</u>
Salaries and wages	\$ 20,651	\$ 30,529	\$ 19,127	\$ 8,653	\$ 231	\$ 79,192
Payroll taxes	1,841	2,667	1,674	757	21	6,961
Employee benefits	1,089	1,605	1,016	460	13	4,182
Occupancy	16,398	22,532	12,459	136	26	51,551
Supplies	971	1,214	447	5	3	2,639
Audit and accounting	3,778	5,136	2,767	31	6	11,718
Travel and conferences	129	182	96	1	-	408
Outside Services	3,601	5,143	2,749	95	3	11,590
Postage and printing	73	110	65	1	1	250
Telephone	552	763	411	5	1	1,731
Equipment lease and maintenance	298	492	292	92	66	1,240
Insurance	793	1,175	658	8	1	2,635
Dues and publications	1,987	2,902	1,638	17	9	6,553
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expense	\$ <u>52,161</u>	\$ <u>74,451</u>	\$ <u>43,397</u>	\$ <u>10,260</u>	\$ <u>380</u>	\$ <u>180,649</u>

AUDITED FISCAL REPORT
for Resource and Referral Programs

Agency Name: COMMUNITY RESOURCES FOR CHILDREN Vendor No. 28-B524
 Fiscal Year End: June 30, 2016 Contract No. CRRP-5037
 Independent Auditor's Name: Randolph Scott & Company, CPA's, Inc.

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 2507	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION I - REVENUE			
RESTRICTED INCOME			
County Maintenance of Effort (EC § 8279)	\$0	\$0	\$0
Other (Specify):			0
Other (Specify):			0
Subtotal	\$0	\$0	\$0
TRANSFER FROM RESERVE <i>(Resource & Referral Only)</i>			0
INTEREST EARNED ON APPORTIONMENTS			0
UNRESTRICTED INCOME			
Other (Specify):			0
Other (Specify):			0
TOTAL REVENUE	\$0	\$0	\$0

SECTION II - REIMBURSABLE EXPENSES			
1000 Certificated Salaries	\$16,865	\$2,227	\$19,092
2000 Classified Salaries	93,964		93,964
3000 Employee Benefits	16,698	253	16,951
4000 Books and Supplies	764		764
5000 Services and Other Operating Expenses	48,961	(2,480)	46,481
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment <i>(program-related)</i>			0
6500 Replacement Equipment <i>(program-related)</i>			0
Depreciation or Use Allowance			0
Indirect Costs. Rate: 0.00% <small>(Rate is Self-Calculating)</small>			0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$177,252	\$0	\$177,252
FOR CDE-A&I USE ONLY:			

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

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 2 if there are no supplemental revenues or expenses to report.

AUDITED FISCAL REPORT
for Resource and Referral Programs

Agency Name: COMMUNITY RESOURCES FOR CHILDREN Vendor No. 28-B524

Fiscal Year End: June 30, 2016 Contract No. CRRP-5037

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 2507	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - SUPPLEMENTAL REVENUE			
Enhancement Funding	\$0	\$0	\$0
Other (Specify): CA CHILD CARE R&R NETWORK	143		143
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL REVENUE	\$143	\$0	\$143

SECTION IV - SUPPLEMENTAL EXPENSES

EXPENSES RELATED TO SUPPLEMENTAL REVENUE			
1000 Certificated Salaries	\$0	\$0	\$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies	143		143
5000 Services and Other Operating Expenses			0
6000 Equipment/Other Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay			0
Other (Specify):			0
Other (Specify):			0
Other (Specify):			0
TOTAL SUPPLEMENTAL EXPENSES	\$143	\$0	\$143

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

AUDITED FISCAL REPORT
for CalWORKS, Alternative Payment or Family Child Care Home Programs

Agency Name: COMMUNITY RESOURCES FOR CHILDREN Vendor No. 28-B524

Fiscal Year End: June 30, 2016 Contract No. CAPP-5040

Independent Auditor's Name: Randolph Scott & Company, CPA's, Inc.

	Column A	Column B	Column C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500-AP	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION I - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$0	\$0	\$0
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$0	\$0	\$0
TRANSFER FROM RESERVE <i>(Alternative Payment Only)</i>			0
FAMILY FEES FOR CERTIFIED CHILDREN	9,551		9,551
INTEREST EARNED ON APPORTIONMENTS			0
UNRESTRICTED INCOME			
Other (Specify):			0
TOTAL REVENUE	\$9,551	\$0	\$9,551

SECTION II - REIMBURSABLE EXPENSES

<i>Direct Payments to Providers</i>	\$548,977	\$0	\$548,977
1000 Certificated Salaries	8,871		8,871
2000 Classified Salaries	49,775		49,775
3000 Employee Benefits	11,379		11,379
4000 Books and Supplies	1,429		1,429
5000 Services and Other Operating Expenses	40,554		40,554
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment <i>(program-related)</i>			0
6500 Replacement Equipment <i>(program-related)</i>			0
Depreciation or Use Allowance			0
Indirect Costs. Rate: 0.00%			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay			0
Other (Specify):			0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$660,985	\$0	\$660,985
TOTAL ADMINISTRATIVE COSTS <i>(included in Section II above)</i>	\$52,161	\$0	\$52,161
DAYS OF OPERATION	246	-	246

FOR CDE-A&I USE ONLY:

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

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 2 if there are no supplemental revenues or expenses to report.

AUDITED FISCAL REPORT
for CalWORKS, Alternative Payment or Family Child Care Home Programs

Agency Name: COMMUNITY RESOURCES FOR CHILDREN Vendor No. 28-B524

Fiscal Year End: June 30, 2016 Contract No. C2AP-5037

Independent Auditor's Name: Randolph Scott & Company, CPA's, Inc.

	Column A	Column B	Column C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500-AP	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION I - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$0	\$0	\$0
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$0	\$0	\$0
TRANSFER FROM RESERVE <i>(Alternative Payment Only)</i>			0
FAMILY FEES FOR CERTIFIED CHILDREN	41,585		41,585
INTEREST EARNED ON APPORTIONMENTS			0
UNRESTRICTED INCOME			
Other (Specify):			0
TOTAL REVENUE	\$41,585	\$0	\$41,585

SECTION II - REIMBURSABLE EXPENSES			
<i>Direct Payments to Providers</i>	\$765,120	\$0	\$765,120
1000 Certificated Salaries	13,128		13,128
2000 Classified Salaries	73,592		73,592
3000 Employee Benefits	16,609		16,609
4000 Books and Supplies	1,874		1,874
5000 Services and Other Operating Expenses	53,023		53,023
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment <i>(program-related)</i>			0
6500 Replacement Equipment <i>(program-related)</i>			0
Depreciation or Use Allowance			0
Indirect Costs. Rate: 0.00%			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay			0
Other (Specify):			0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$923,346	\$0	\$923,346
TOTAL ADMINISTRATIVE COSTS <i>(included in Section II above)</i>	\$74,451	\$0	\$74,451
DAYS OF OPERATION	246	-	246
FOR CDE-A&I USE ONLY:			

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

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 2 if there are no supplemental revenues or expenses to report.

AUDITED FISCAL REPORT
for CalWORKS, Alternative Payment or Family Child Care Home Programs

Agency Name: COMMUNITY RESOURCES FOR CHILDREN Vendor No. 28-B524

Fiscal Year End: June 30, 2016 Contract No. C3AP-5036

Independent Auditor's Name: Randolph Scott & Company, CPA's, Inc.

	Column A	Column B	Column C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500-AP	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION I - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$0	\$0	\$0
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$0	\$0	\$0
TRANSFER FROM RESERVE <i>(Alternative Payment Only)</i>			0
FAMILY FEES FOR CERTIFIED CHILDREN	34,940		34,940
INTEREST EARNED ON APPORTIONMENTS			0
UNRESTRICTED INCOME			
Other (Specify):			0
TOTAL REVENUE	\$34,940	\$0	\$34,940

SECTION II - REIMBURSABLE EXPENSES

<i>Direct Payments to Providers</i>	\$412,621	\$0	\$412,621
1000 Certificated Salaries	8,203		8,203
2000 Classified Salaries	45,863		45,863
3000 Employee Benefits	10,342		10,342
4000 Books and Supplies	862	1	863
5000 Services and Other Operating Expenses	30,582	(1)	30,581
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment <i>(program-related)</i>			0
6500 Replacement Equipment <i>(program-related)</i>			0
Depreciation or Use Allowance			0
Indirect Costs. Rate: 0.00%			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay			0
Other (Specify):			0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$508,473	\$0	\$508,473
TOTAL ADMINISTRATIVE COSTS <i>(included in Section II above)</i>	\$43,397	\$0	\$43,397
DAYS OF OPERATION	246	-	246
FOR CDE-A&I USE ONLY:			

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

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 2 if there are no supplemental revenues or expenses to report.

**AUDITED FISCAL REPORT
for Child Development CCIP Support Contracts**

Agency Name: COMMUNITY RESOURCES FOR CHILDREN Vendor No. 28-B524
 Fiscal Year End: June 30, 2016 Contract No. CCIP-5037
 Multi-Year Contract? (Check "No" Box or Enter Contract Period): No: or Period: _____
 Independent Auditor's Name: Randolph Scott & Company, CPA's, Inc.

	COLUMN A1	COLUMN A2	COLUMN B	COLUMN C
	PRIOR YEAR'S AUD 9529-CCIP ENDING BALANCE FOR THIS CONTRACT (Multi- Year Contract Only)	CURRENT FISCAL YEAR PER FORM CDFS 9529-CCIP	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE THROUGH CURRENT FISCAL YEAR PER AUDIT
SECTION I - REVENUE				
RESTRICTED INCOME				
Match Requirement	\$0	\$4,888	\$0	\$4,888
County Maintenance of Effort (EC § 8279)				0
Other (Specify):				0
Other (Specify):				0
Subtotal	\$0	\$4,888	\$0	\$4,888
INTEREST EARNED ON APPORTIONMENTS				0
UNRESTRICTED INCOME				
Match Requirement				0
Other (Specify):				0
Other (Specify):				0
TOTAL REVENUE	\$0	\$4,888	\$0	\$4,888

SECTION II - REIMBURSABLE EXPENSES				
1000 Certificated Salaries	\$0	\$3,758	\$0	\$3,758
2000 Classified Salaries		21,606	1	21,607
3000 Employee Benefits		3,844		3,844
4000 Books and Supplies		45		45
5000 Services and Other Operating Expenses		6,720		6,720
6100/6200 Other Approved Capital Outlay				0
6400 New Equipment (<i>program-related</i>)				0
6500 Replacement Equipment (<i>program-related</i>)				0
Depreciation or Use Allowance				0
Indirect Costs. Rate: 0.00%				0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$0	\$35,973	\$1	\$35,974
TOTAL ADMINISTRATIVE COSTS (<i>included in section II above</i>)	\$0	\$10,260	\$0	\$10,260
FOR CDE-A&I USE ONLY:				

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

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 2 if there are no supplemental revenues or expenses to report.

**AUDITED FISCAL REPORT
for Child Development Support Contracts**

Agency Name: COMMUNITY RESOURCES FOR CHILDREN Vendor No. 28-B524

Fiscal Year End: June 30, 2016 Contract No. CHST-5037

Multi-Year Contract? (Check "No" Box or Enter Contract Period): No: or Period: _____

Independent Auditor's Name: Randolph Scott & Company, CPA's, Inc.

	COLUMN A1	COLUMN A2	COLUMN B	COLUMN C
	PRIOR YEAR'S AUD 9529 ENDING BALANCE FOR THIS CONTRACT (Multi-Year Contract Only)	CURRENT FISCAL YEAR PER FORM CDFS 9529	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE THROUGH CURRENT FISCAL YEAR PER AUDIT
SECTION I - REVENUE				
RESTRICTED INCOME				
Match Requirement	\$0	\$0	\$0	\$0
County Maintenance of Effort (EC § 8279)				0
Other (Specify):				0
Other (Specify):				0
Subtotal	\$0	\$0	\$0	\$0
INTEREST EARNED ON APPORTIONMENTS				0
UNRESTRICTED INCOME				
Other (Specify):				0
Other (Specify):				0
TOTAL REVENUE	\$0	\$0	\$0	\$0

SECTION II - REIMBURSABLE EXPENSES

1000 Certificated Salaries	\$0	\$0	\$0	\$0
2000 Classified Salaries		146	85	231
3000 Employee Benefits		101	(67)	34
4000 Books and Supplies		24	(15)	9
5000 Services and Other Operating Expenses		259	1,102	1,361
6100/6200 Other Approved Capital Outlay		1,105	(1,105)	0
6400 New Equipment (<i>program-related</i>)				0
6500 Replacement Equipment (<i>program-related</i>)				0
Depreciation or Use Allowance				0
Indirect Costs. Rate: 0.00%				0
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$0	\$1,635	\$0	\$1,635
TOTAL ADMINISTRATIVE COSTS (included in section II above)	\$0	\$380	\$0	\$380
FOR CDE-A&I USE ONLY:				

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

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 2 if there are no supplemental revenues or expenses to report.

AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Agency Name: COMMUNITY RESOURCES FOR CHILDREN

Fiscal Year End: June 30, 2016

Vendor No. 28-B524

Independent Auditor's Name: Randolph Scott & Company, CPA's, Inc.

RESERVE ACCOUNT TYPE (Check One):

- Center Based
 Resource and Referral
 Alternative Payment

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

LAST YEAR:

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

THIS YEAR:

	COLUMN A	COLUMN B	COLUMN C
5. Plus Interest Earned This Year on Reserve Funds (column A must agree with this year's CDFS 9530-A, Section II)	\$0	\$0	\$0
6. Less Transfers to Contracts from Reserve Account (column A amounts must agree with this year's CDFS 9530-A, Section III; and column C amounts must be reported on this year's AUD forms for respective contracts):			
CSPP - General			
Contract No.			\$0
Contract No.			0
CSPP - Professional Development			
Contract No.			\$0
Contract No.			0
Subtotal	\$0	\$0	\$0
Other Contracts			
Contract No.			\$0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Subtotal	\$0	\$0	\$0
Total Transferred to Contracts from Reserve Account	0	0	0
7. Ending Balance on June 30, 2016 (column A must agree with this year's CDFS 9530-A, Section IV)	\$2	\$0	\$2

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

COMMUNITY RESOURCES FOR CHILDREN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

SECTION I: SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- * Material weakness(es) identified? _____ yes ___X___ no
- * Significant deficiency(ies) identified? _____ yes ___X___ none reported
- * Noncompliance material to financial statements noted? _____ yes ___X___ no

Federal Awards

Internal control over major programs:

- * Material weakness(es) identified? _____ yes ___X___ no
- * Significant deficiency(ies) identified? _____ yes ___X___ none reported

Type of auditor's report issued: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? _____ yes ___X___ no

Identification of major programs:

Department of Health & Human Services:
CCDF Cluster

CFDA Number: 93.575/93.596

Dollar threshold used to distinguish Type A programs from Type B programs was \$750,000.

Auditee qualified as low risk auditee? ___X___ yes _____ no

COMMUNITY RESOURCES FOR CHILDREN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)

YEAR ENDED JUNE 30, 2016

SECTION II: FINANCIAL STATEMENTS FINDINGS

PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

None.

SIGNIFICANT DEFICIENCY(IES)

None.

SIGNIFICANT DEFICIENCY(IES) – NON-MATERIAL WEAKNESSES

None.

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

None.

SIGNIFICANT DEFICIENCY(IES)

None.

SIGNIFICANT DEFICIENCY(IES) – NON-MATERIAL WEAKNESSES

None.

QUESTIONED COSTS

None.