

**COMMUNITY RESOURCES FOR CHILDREN**

**REPORT ON SINGLE AUDIT OF  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**VASIN, HEYN & COMPANY**

*ABOVE THE BRIGHT LINE*

---

AN ACCOUNTANCY CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**TABLE OF CONTENTS**

	<b>Page</b>
<b>GENERAL INFORMATION</b>	1-1
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	2-1
Financial Statements:	
Statement of Financial Position	2-4
Statement of Activities	2-5
Statement of Functional Expenses	2-6
Statement of Cash Flows	2-7
Notes to Financial Statements	2-8
<b>CALIFORNIA DEPARTMENT OF EDUCATION SUPPLEMENTARY INFORMATION</b>	
Combining Schedule of Activities	3-1
Combining Schedule of Renovation and Repair Expenditures	3-2
Combining Schedule of Equipment Expenditures	3-3
Combining Schedule of Administrative Costs	3-4
Combining Schedule of Expenditures by State Categories	3-5
<b>AUDITED FINAL ATTENDANCE AND FISCAL REPORT FORMS</b>	4-1
<b>GOVERNMENT AUDIT INFORMATION SECTION</b>	
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 <i>Government Auditing Standards</i>	5-1
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	5-3
Schedule of Expenditures of Federal and State Awards	5-5
Notes to Schedule of Expenditures of Federal and State Awards	5-6
Schedule of Findings and Questioned Costs	5-7
Current and Prior Year Findings and Questioned Costs	5-8

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**GENERAL INFORMATION**

Agency Name: Community Resources for Children

Program Numbers/Type Contract Numbers:  
C2AP-8037 Alternative Payment – Stage 2  
C3AP-8036 Alternative Payment – Stage 3  
CAPP-8040 Alternative Payment  
CCIP-8038 Child Care Initiative Project  
CHST-8038 CCDF Health & Safety  
CRRP-8038 Resource & Referral

Type of Agency: A California Non-Profit Corporation

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

Name and Address of Executive Director: Erika Lubensky  
3299 Claremont Way, Suite 1  
Napa, CA 94558

Telephone Number: (707) 253-0376

Period Covered by Examination: July 1, 2018 through June 30, 2019

Number of Days of Agency Operation: 246 days

Scheduled Hours of Operation Each Day: Monday - Thursday 9:00 a.m. to 5:00 p.m.  
Friday 10:00 a.m. to 4:00 p.m.



# VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE



AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Community Resources for Children  
(A California Non-Profit Corporation)  
Napa, California

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Community Resources for Children (A California Non-Profit Corporation) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

## **INDEPENDENT AUDITORS' REPORT (Continued)**

### ***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, 2019, 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.

### ***Report on Summarized Comparative Information***

We previously audited Community Resources for Children's 2018 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived. The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Community Resources for Children.

### ***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Combining Schedule of Activities, Combining Schedule of Renovation and Repair Expenditures, Combining Schedule of Equipment Expenditures, Combining Schedule of Administrative Costs, Combining Schedule of Expenditures by State Categories, and Audited Final Attendance and Fiscal Report Forms are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and in conformity with the Audit Guide for Audits of Child Development and Nutrition Programs issued by the *California Department of Education (CDE Audit Guide)*. The Combining Schedule of Activities, Combining Schedule of Renovation and Repair Expenditures, Combining Schedule of Equipment Expenditures, Combining Schedule of Administrative Costs, Combining Schedule of Expenditures by State Categories, and Audited Final Attendance and Fiscal Report Forms are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 Combining Schedule of Activities, Combining Schedule of Renovation and Repair Expenditures, Combining Schedule of Equipment Expenditures, Combining Schedule of Administrative Costs, Combining Schedule of Expenditures by State Categories, and Audited Final Attendance and Fiscal Report Forms are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## INDEPENDENT AUDITORS' REPORT (Continued)

### *Other 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 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*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Resources for Children's internal control over financial reporting and compliance.

Vorwin, Hahn + Co.

Calabasas, California  
December 11, 2019

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2019**  
**(WITH COMPARATIVE TOTALS FOR 2018)**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 456,609	\$ 631,445
Contracts and grants receivable	138,629	123,953
Deposits and prepaid expenses	11,657	14,595
Short-Term Investments - other	410,125	-
Property and equipment, net	<u>8,579</u>	<u>13,443</u>
 Total assets	 <u>\$ 1,025,599</u>	 <u>\$ 783,436</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 35,147	\$ 42,872
Accrued payroll and related liabilities	36,344	40,916
Provider payments payable	246,199	208,299
Deferred revenue	111,843	-
California Department of Education reserve	10,918	2
Government funded assets	<u>4,697</u>	<u>6,852</u>
 Total liabilities	 445,148	 298,941
 <b>COMMITMENTS AND CONTINGENCIES</b>		
 <b>NET ASSETS</b>		
Without Donor Restrictions	<u>580,451</u>	<u>484,495</u>
 Total net assets	 <u>580,451</u>	 <u>484,495</u>
 Total liabilities and net assets	 <u>\$ 1,025,599</u>	 <u>\$ 783,436</u>

See accompanying auditors' reports and notes to financial statements.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(WITH COMPARATIVE TOTALS FOR 2018)**

	2019	2018
<b>REVENUE AND SUPPORT</b>		
Governmental service contracts	\$ 3,057,039	\$ 2,695,639
Contributions and grants	545,762	498,199
Fees for services	92,622	57,303
Other income	4,057	10,917
Interest income	448	245
Rental income	11,577	11,384
Total revenue and support	3,711,505	3,273,687
<b>EXPENSES</b>		
Resource and Referral	185,653	179,529
Alternative Payment Programs	2,736,620	2,290,752
Support Programs from California Department of Education	34,160	31,069
CalWorks Stage 1 Program	204,146	256,573
Non-CDE Programs	402,206	316,247
Support services	52,764	33,288
Total expenses	3,615,549	3,107,458
<b>CHANGE IN NET ASSETS</b>	95,956	166,229
<b>NET ASSETS - beginning of year</b>	484,495	318,266
<b>NET ASSETS - end of year</b>	\$ 580,451	\$ 484,495

See accompanying auditors' reports and notes to financial statements.



**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(WITH COMPARATIVE TOTALS FOR 2018)**

	Program <u>Services</u>	Support <u>Services</u>	2019 Total <u>Expenses</u>	2018 Total <u>Expenses</u>
<b>Salaries and related expenses</b>				
Salaries and wages	\$ 634,056	\$ 17,437	\$ 651,493	\$ 598,213
Payroll taxes	54,829	1,451	56,280	52,789
Employee benefits	51,801	1,838	53,639	50,032
	<u>740,686</u>	<u>20,726</u>	<u>761,412</u>	<u>701,034</u>
<b>Other expenses</b>				
Advertising	-	-	-	196
Consultants and contracts	26,827	-	26,827	29,770
Depreciation	-	4,864	4,864	4,643
Dues, memberships, and fees	25,525	271	25,796	26,017
Insurance	8,775	-	8,775	8,234
Leased equipment	5,272	315	5,587	10,102
Materials and supplies	14,484	429	14,913	26,308
Miscellaneous expenses	-	24,584	24,584	1,072
Occupancy	99,828	-	99,828	118,579
Other operating expenses	26,398	1,550	27,948	9,328
Postage and printing	2,739	4	2,743	2,642
Provider incentives	54,465	-	54,465	25,507
Provider payments	2,536,210	-	2,536,210	2,099,085
Repairs and maintenance	-	-	-	3,181
Small equipment	-	-	-	1,105
Stipends	-	-	-	19,500
Telephone and online services	10,846	-	10,846	12,100
Training and seminars	7,956	10	7,966	6,937
Travel and conferences	2,774	11	2,785	2,118
Total Other Expenses	2,822,099	32,038	2,854,137	2,406,424
Indirect expense	2,404,632	(2,404,632)	-	-
<b>Total Expenses</b>	<u>\$ 5,967,417</u>	<u>\$ (2,351,868)</u>	<u>\$ 3,615,549</u>	<u>\$ 3,107,458</u>

See accompanying auditors' reports and notes to financial statements.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(WITH COMPARATIVE TOTALS FOR 2018)**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 95,956	\$ 166,229
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	4,864	4,643
Adjustment to prior year net assets	-	(8,881)
(Increase) decrease in:		
Contracts and grants receivable	(14,676)	(64,270)
Deposits and prepaid expenses	2,938	(2,407)
Increase (decrease) in:		
Accounts payable and accrued expenses	(7,725)	25,651
Accrued payroll and related liabilities	(4,572)	3,504
Provider payments	37,900	45,360
Deferred revenue	111,843	(93,686)
California Department of Education reserve	10,916	-
Government funded assets	(2,155)	6,852
Total adjustments	<u>139,333</u>	<u>(83,234)</u>
Net Cash Provided (Used) by Operating Activities	235,289	82,995
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest and dividends reinvested on short term investments - other	(125)	-
Purchase of short term investments - other	(410,000)	-
Purchases of fixed assets	-	(1,106)
Net Cash Provided (Used) by Investing Activities	<u>(410,125)</u>	<u>(1,106)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(174,836)	81,889
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>631,445</u>	<u>549,556</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 456,609</u>	<u>\$ 631,445</u>

See accompanying auditors' reports and notes to financial statements.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1. DESCRIPTION OF ORGANIZATION**

*General*

Community Resources for Children 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 education to the children, the families and the community of Napa County. Community Resources for Children is supported primarily by the Department of Education and other government grants as well as support from other nonprofit organizations.

Community Resources for Children provides children with the best possible start by empowering the adults who impact their care and education. Whether a child is at home with a parent, in child care or preschool, or cared for by a friend or relative, Community Resources for Children provides the adults who take care of children with the knowledge, tools, and resources so that children under their care thrive. Community Resources for Children serves as the community link to child care, providing families with access to care that meets their needs and coaching individuals in starting and growing thriving child care businesses. Community Resources for Children's school readiness programs support children in our community so that they are ready to learn in Kindergarten.

*Major Programs:*

Resource and Referral — The Resource and Referral program provides child care referrals and other child care information that meet the individual needs of each family

Child Care Alternative Payment — Child Care Alternative Payment Programs provides financial assistance to help qualified families pay for child care costs while they are working, looking for employment, in school or training.

Quality Counts — Quality Counts strives to increase the quality of the early learning for young children and their families in Napa County. Through Quality Counts, Community Resources for Children (CRC) provides resources and support to early learning and care providers so they can create nurturing and effective early learning programs that support the development of the children under their care.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Community Resources for Children prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America. The significant accounting and reporting policies used by Community Resources for Children are described below to enhance the usefulness and understandability of the financial statements.

*Accounting Method*

Community Resources for Children maintains its accounting records on the accrual basis.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Fund Accounting*

To ensure observance of limitations and restrictions placed on the use of resources available to Community Resources for Children, the accounts of Community Resources for Children 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.

*Financial Statement Presentation*

The financial statements are presented based on Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. ASC Topic 958, Sections 210 and 225 requires classification Community Resources for Children's net assets, revenues as well as expenses based on the existence or absence of donor-imposed restrictions. The statement requires presentation of the amounts for each of the two classes of net assets – with donor restrictions, and without donor restrictions – in the statement of financial position and the amounts of change in each of those classes of net assets in the statement of activities.

*Net Assets*

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- *Without donor restrictions.* Net assets without donor restrictions are resources available to support operations. The only limits on the use of the net assets without donor restrictions are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
- *With donor restrictions.* Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Community Resources for Children's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by Community Resources for Children, unless the donor provides more specific directions about the period of its use.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*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.

*Contracts and Grants Receivables*

Receivables consist of contracts, grants and accounts receivable and are stated at the amount management expects to collect from outstanding balances. Contracts receivable are primarily comprised of revenue apportionments due from federal, state and local agencies. Accordingly, no provision for doubtful accounts has been provided for such receivables. Community Resources for Children uses the allowance method of accounting for receivables determined to be potentially uncollectable. In management's opinion, all contracts and accounts receivable were collectible at year-end. No allowance for doubtful accounts for contracts and accounts receivable is considered necessary at June 30, 2019.

*Deposits and Prepaid Expenses*

Deposits and prepaid insurance and other costs are expensed ratably over their respective terms of agreement.

*Investments – Other*

Certificates of deposit held for investment that are not debt securities are included in "investments-other." Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as "short-term investment-other". Certificates of deposit with remaining maturities greater than one year are classified as "long-term investments-other."

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Property and Equipment, Net*

Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All property is capitalized. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Retirements are reflected as decreases to the property and equipment account, with a corresponding reduction in the restricted investment in fixed assets.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Furniture and Equipment	3 -5 years
-------------------------	------------

Furniture and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Fixed assets 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 a liability of Community Resources for Children. 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, 2019 was \$18,272.

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 Community Resources for Children since payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenditures in the period the benefits are taken.

*Deferred Revenue*

Deferred revenue consists of advance payments received for grants.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Accounting for Contributions*

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with donor-restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

*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. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is accomplished, or both. However, donor 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.

*Government Revenue*

Government revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Government revenue from federal agencies is subject to independent audit under the Uniform Guidance and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, Community Resources for Children's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of Community Resources for Children.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Indirect Costs*

Costs that benefit the operations of the entire organization are allocated according to an indirect cost allocation plan.

*Presentation of Expenses*

The statement of activities contains information about the costs associated with Community Resources for Children's services and how it uses its resources. This results in the expenses being reported by Community Resources for Children's major programs.

*Allocation of Expenses*

The costs of operating the various programs and other activities have been summarized in the combining statement of activities. Certain costs have been allocated among the programs benefited based upon Community Resources for Children's cost allocation plan.

*Income Taxes*

Community Resources for Children is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Community Resources for Children has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position.

As of and for the year ended June 30, 2019, Community Resources for Children had no material unrecognized tax benefits, tax penalties or interest. Community Resources for Children's Forms 990, *Return of Organization Exempt from Income Tax*, for each of the tax years ended June 30, 2018, 2017, and 2016, are subject to examination by the IRS, generally for 3 years after they were filed.



**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, Community Resources for Children's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances.

*Reclassifications*

Certain amounts in the 2018 comparative totals have been reclassified to conform with the 2019 reporting format.

*Comparative Totals*

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Community Resources for Children's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Fair Value Measurements*

Community Resources for Children reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1* - Quoted prices for identical assets or liabilities in active markets to which Community Resources for Children has access at the measurement date.
- *Level 2* - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3* - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents and accounts receivable approximate fair value because of the terms and relatively short maturity of these financial instruments. The certificates of deposits are valued at quoted market prices, which represent the net asset value held by Community Resources for Children at year end.

The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, Community Resources for Children measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(CONTINUED)**

**3. CONTRACTS AND GRANTS RECEIVABLE**

At June 30, 2019, accounts and grants receivable consisted of the following:

California of Department of Education	\$ 114,988
Receivable from employee	375
First 5 Napa	<u>23,266</u>
Total Contracts and Grants Receivable	<u>\$ 138,629</u>

In management’s opinion, all contracts and accounts receivable were collectible at year-end. No allowance for doubtful accounts for contracts and accounts receivable is considered necessary at June 30, 2019.

**4. INVESTMENTS**

Community Resources for Children measures fair value in accordance with FASB ASC 820-10. FASB ASC 820-10 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, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires Community Resources for Children to develop its own assumptions. Community Resources for Children uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, Community Resources for Children measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. All assets reported at fair value at June 30, 2019, are Level 2 inputs.

Investments consist of the following at June 30, 2019:

	<u>Total</u>	<u>Level 2</u>
Certificates of deposit	<u>\$ 410,125</u>	<u>\$ 410,125</u>
Total investments	<u>\$ 410,125</u>	<u>\$ 410,125</u>

At June 30, 2019, Community Resources for Children does not have any investments measured using Level 1 or Level 3 inputs.

The composition of the interest and investment income is reported in the statement of activities is follows:

	<u>Amount</u>
Interest income from certificates of deposit	\$ 125
Interest income from cash and cash equivalents accounts	<u>323</u>
Total interest and investment income	<u>\$ 448</u>

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(CONTINUED)**

**5. PROPERTY AND EQUIPMENT, NET**

Property and equipment at June 30, 2019 consisted of the following:

	Government Funded	Agency Owned	Total
Computers	\$ -	\$ 1,875	\$ 1,875
Furniture and Fixtures	-	11,669	11,669
Office Equipment	3,042	-	3,042
Other	6,444	-	6,444
	<u>9,486</u>	<u>13,544</u>	<u>23,030</u>
Accumulated depreciation	<u>(4,789)</u>	<u>(9,662)</u>	<u>(14,451)</u>
Property and Equipment, net	<u>\$ 4,697</u>	<u>\$ 3,882</u>	<u>\$ 8,579</u>

The depreciation expense for the year ended June 30, 2019 was \$4,864.

**6. CALIFORNIA DEPARTMENT OF EDUCATION RESERVE**

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. Community Resources for Children maintains one reserve account for its 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, 2019, the balance for the CDE reserve account was \$10,918.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(CONTINUED)**

**7. 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. Community Resources for Children 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. Community Resources for Children's management is of the opinion that the organization has complied with the terms of all grants.

**8. LEASE COMMITMENTS**

Community Resources for Children conducts its operations at a leased facility which is on a month to month basis. In addition, Community Resources for Children has operating lease agreements for its copier and postage meter.

Future obligations on non-cancelable leases are as follows:

<u>Year Ending June 30,</u>	<u>Building</u>	<u>Equipment</u>	<u>Total</u>
2020	\$ 76,320	\$ 5,217	\$ 81,537
2021	-	5,325	5,325
2022	-	5,438	5,438
2023	-	5,557	5,557
2024	-	<u>5,682</u>	<u>5,682</u>
Total	<u>\$ 76,320</u>	<u>\$ 27,219</u>	<u>\$ 103,539</u>

Total rent and associated utilities expense for the year ended June 30, 2019 was \$99,828.

**9. RELATED PARTY TRANSACTIONS**

From time to time, Community Resources for Children purchases goods or services from entities affiliated with various Board members. Management believes these transactions have been conducted on an arms-length basis and no preferential treatment has been afforded the organization or the vendors.

During fiscal year 2019, Community Resources for Children used the services of Dalila Hernandez (Español in the Valley) who sits on the Board of Directors. Total expense for the year ended June 30, 2019 totaled \$815.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(CONTINUED)**

**10. ALLOCATION OF EXPENSES**

Community Resources for Children 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 Community Resources for Children’s auditors for compliance with applicable laws and regulations. The Director of Finance and Operation and Executive Director of Community Resources for Children 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. Community Resources for Children 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 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 Community Resources for Children.

**11. LIQUIDITY AND AVAILABILITY**

	<u>June 30, 2019</u>
Total financial assets:	<u>\$ 1,005,363</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,005,363</u>

In addition to existing financial assets available to meet general expenditures within one year, Community Resources for Children receives significant contributions restricted by donors and considers contributions restricted for programs, which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. Community Resources for Children manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Community Resources for Children has a liquidity internal procedure to maintain current financial assets less current liabilities at a minimum of 60 days operating expenses and has a goal to target a year-end balance of reserves of net assets without donor restrictions at 75 to 90 days of expected operating expenditures. To achieve these targets, the entity forecasts its future cash flows and monitors its liquidity and its reserves quarterly. During the year ended June 30, 2019 the level of liquidity and reserves was managed within the established procedures.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(CONTINUED)**

**12. CONCENTRATIONS**

*Concentration of Revenue Sources*

During the year ended June 30, 2019, Community Resources for Children had three major revenue funding sources. The California Department of Education accounted for approximately 79%, the County of Napa accounted for approximately 6% and First 5 accounted for approximately 8% of the total revenue.

*Concentration of Credit Risk*

Financial instruments that potentially subject Community Resources for Children to concentrations of credit risk consist principally of uninsured cash balances. Community Resources for Children places its cash deposits with high-credit, quality financial institutions. At times, balances in Community Resources for Children's cash accounts may exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. Uninsured balances at June 30, 2019 were approximately \$151,007.

**13. SUBSEQUENT EVENTS**

Community Resources for Children has evaluated its financial position and activities from the June 30, 2019 year end of this report through December 11, 2019, 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.

**CALIFORNIA DEPARTMENT OF EDUCATION  
SUPPLEMENTARY INFORMATION**



**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**COMBINING SCHEDULE OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Alternative Alternative Payment C2AP-8037 116	Alternative Alternative Payment C3AP-8036 120	Alternative Payment CAPP-8040 112	General Child Care Initiative Project CCIP-8038 131	Child Care Initiative Project Grant 131	General Child Care Initiative Project CCIP-8038 Match	General Health & Safety Initiative Project CHST-8038 132	California Resource & Referral CRRP-8038 150	Total CDE Programs
<b>Revenue</b>									
<b>Grant Income:</b>									
Federal programs	\$ 145,723	\$ 262,112	\$ 964,860	\$ 17,252	\$ 3,296	\$ -	\$ 2,683	\$ 27,041	\$ 1,422,967
State programs	724,505	530,131	16,668	2,118	-	-	-	156,506	1,429,928
Contributions and grants	-	-	-	-	-	4,236	-	-	4,236
Fees for services	24,588	43,261	24,773	-	-	-	-	-	92,622
Interest income	-	-	-	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-	-	65	65
Rental income	-	-	-	-	-	-	-	-	-
Total revenue	<u>894,816</u>	<u>835,504</u>	<u>1,006,301</u>	<u>19,370</u>	<u>3,296</u>	<u>4,236</u>	<u>2,683</u>	<u>183,612</u>	<u>2,949,818</u>
<b>Expenses</b>									
Salaries and wages	72,706	65,529	77,717	18,558	2,934	3,474	291	126,178	367,387
Payroll taxes	6,280	5,663	6,673	1,747	266	296	25	10,572	31,522
Employee benefits	8,900	7,854	9,196	1,218	228	466	28	7,583	35,473
Consultants and contracts	7,928	7,210	8,502	12	1	-	17	401	24,071
Depreciation	-	-	-	-	-	-	-	-	-
Dues, memberships and fees	3,674	3,619	6,184	3	-	-	5	6,753	20,238
Insurance	1,127	1,009	1,183	53	-	-	1	2,016	5,389
Leased equipment	1,020	877	1,009	75	-	-	3	893	3,877
Materials and supplies	1,722	1,937	2,620	110	83	-	2	339	6,813
Miscellaneous expenses	-	-	-	-	-	-	-	-	-
Occupancy	12,603	10,885	12,758	571	-	-	16	25,746	62,579
Other operating expenses	4,268	4,477	5,577	2	1	-	3	495	14,823
Postage and printing	834	732	825	11	-	-	-	82	2,484
Provider incentives	-	-	-	912	-	-	2,290	-	3,202
Provider payments	770,833	723,141	871,086	-	-	-	-	-	2,365,060
Telephone and online services	1,953	1,743	2,067	247	-	-	1	1,191	7,202
Training and seminars	623	530	549	-	6	-	-	2,804	4,512
Travel and conferences	345	296	356	103	101	-	-	600	1,801
Indirect expenses	-	-	-	-	-	-	-	-	-
Total expenses	<u>894,816</u>	<u>835,502</u>	<u>1,006,302</u>	<u>23,622</u>	<u>3,620</u>	<u>4,236</u>	<u>2,682</u>	<u>185,653</u>	<u>2,956,433</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ (1)</u>	<u>\$ (4,252)</u>	<u>\$ (324)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (2,041)</u>	<u>\$ (6,615)</u>

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**COMBINING SCHEDULE OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(CONTINUED)**

	First 5 Grants 158	Quality Early Learning Programs 158/159	NVV 168	Child Care Alternative Payment Stage 1 - NCHHS 170	Program Indirect	Support 102	Total Programs and Support
<b>Revenue</b>							
<b>Grant Income:</b>							
Federal Programs	\$ -	\$ -	\$ -	\$ 204,144	\$ -	\$ -	\$ 1,627,111
State Programs	-	-	-	-	-	-	1,429,928
Contributions and grants	309,948	88,335	109,753	-	-	33,490	545,762
Fees for services	-	-	-	-	-	-	92,622
Interest income	-	-	-	-	-	448	448
Miscellaneous Income	-	-	4,001	-	-	(9)	4,057
Rental income	-	-	11,577	-	-	-	11,577
Total revenue	309,948	88,335	125,331	204,144	-	33,929	3,711,505
<b>Expenses</b>							
Salaries and wages	202,836	43,665	621	19,547	-	17,437	651,493
Payroll taxes	17,510	4,087	52	1,658	-	1,451	56,280
Employee benefits	10,876	2,913	61	2,478	-	1,838	53,639
Consultants and contracts	577	219	144	1,816	-	-	26,827
Depreciation	-	-	-	-	-	4,864	4,864
Dues, memberships and fees	151	174	4,039	923	-	271	25,796
Insurance	901	1,374	819	292	-	-	8,775
Leased equipment	668	225	200	302	-	315	5,587
Materials and supplies	4,665	2,368	301	337	-	429	14,913
Miscellaneous expenses	-	-	-	-	-	24,584	24,584
Occupancy	9,897	15,060	8,935	3,357	-	-	99,828
Other operating expenses	9,413	874	67	1,221	-	1,550	27,948
Postage and printing	11	2	1	241	-	4	2,743
Provider incentives	51,263	-	-	-	-	-	54,465
Provider payments	-	-	-	171,150	-	-	2,536,210
Telephone and online services	2,619	506	17	502	-	-	10,846
Training and seminars	2,778	40	401	225	-	10	7,966
Travel and conferences	634	239	3	97	-	11	2,785
Indirect expenses	-	-	-	-	2,404,632	(2,404,632)	-
Total expenses	314,799	71,746	15,661	204,146	2,404,632	(2,351,868)	3,615,549
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>\$ (4,851)</b>	<b>\$ 16,589</b>	<b>\$ 109,670</b>	<b>\$ (2)</b>	<b>\$ (2,404,632)</b>	<b>\$ 2,385,797</b>	<b>\$ 95,956</b>

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**COMBINING SCHEDULE OF RENOVATION AND REPAIR EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Alternative Payment Stage 2 C2AP-8037</u>	<u>Alternative Payment Stage 2 C3AP-8036</u>	<u>Alternative Payment CAPP-8040</u>	<u>Child Care Initiative Project CCIP-8038</u>	<u>CCDF Health &amp; Safety CHST-8038</u>	<u>Resource &amp; Referral CRRP-8038</u>	<u>Total Costs</u>
<b>Unit Cost Under \$10,000 Per Item:</b>							
<b>Item:</b>							
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total:</b>	-	-	-	-	-	-	-
<b>Unit Cost \$10,000 or More Per Item</b>							
<b>With Prior Written Approval:</b>							
<b>Item:</b>							
None	-	-	-	-	-	-	-
<b>Total:</b>	-	-	-	-	-	-	-
<b>Unit Cost \$10,000 or More Per Item</b>							
<b>Without Prior Approval:</b>							
<b>Item:</b>							
None	-	-	-	-	-	-	-
<b>Total:</b>	-	-	-	-	-	-	-
<b>Total Renovation &amp; Repair Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Community Resources for Children's capitalization threshold is \$1,000 or more.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**COMBINING SCHEDULE OF EQUIPMENT EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Alternative Payment Stage 2 <u>C2AP-8037</u>	Alternative Payment Stage 2 <u>C3AP-8036</u>	Alternative Payment <u>CAPP-8040</u>	Child Care Initiative Project <u>CCIP-8038</u>	CCDF Health & Safety <u>CHST-8038</u>	Resource & Referral <u>CRRP-8038</u>	<u>Total Costs</u>
<b>Unit Cost Under \$7,500 Per Item:</b>							
<b>Item:</b>							
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total:</b>	-	-	-	-	-	-	-
<b>Unit Cost Over \$7,500 Per Item</b>							
<b>With Prior Written Approval:</b>							
<b>Item:</b>							
None	-	-	-	-	-	-	-
<b>Total:</b>	-	-	-	-	-	-	-
<b>Unit Cost Over \$7,500 Per Item</b>							
<b>Without Prior Approval:</b>							
<b>Item:</b>							
None	-	-	-	-	-	-	-
<b>Total:</b>	-	-	-	-	-	-	-
<b>Total Equipment Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Community Resources for Children's capitalization threshold is \$1,000 or more.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**COMBINING SCHEDULE OF ADMINISTRATIVE COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Alternative Payment C2AP-8037 <u>116</u>	Alternative Payment C3AP-8036 <u>120</u>	Alternative Payment CAPP-8040 <u>112</u>	General Child Care Initiative Project CCIP-8038 <u>131</u>	Child Care Initiative Project Grant <u>131</u>	General Health & Safety Initiative Project CHST-8038 <u>132</u>	California Resource & Referral CRRP-8038 <u>150</u>	Total Costs
<b>Certificated Salaries</b>	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
<b>Classified Salaries</b>	31,670	27,429	31,766	6,650	742	291	43,514	142,062
<b>Employee Benefits</b>	4,913	4,244	4,886	1,118	122	53	4,363	19,699
<b>Books and Supplies</b>	547	645	854	1	-	1	-	2,048
<b>Services and Other Expenses</b>	<u>19,899</u>	<u>18,486</u>	<u>22,244</u>	<u>30</u>	<u>4</u>	<u>46</u>	<u>-</u>	<u>60,709</u>
<b>Total Administrative Costs</b>	<u>\$ 57,029</u>	<u>\$ 50,804</u>	<u>\$ 59,750</u>	<u>\$ 7,799</u>	<u>\$ 868</u>	<u>\$ 391</u>	<u>\$ 47,877</u>	<u>\$ 224,518</u>

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**COMBINING SCHEDULE OF EXPENDITURES BY STATE CATEGORIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Alternative Payment C2AP-8037 116	Alternative Payment C3AP-8036 120	Alternative Payment CAPP-8040 112	Child Care Initiative Project CCIP-8038 131	Child Care Initiative Project Grant 131	CCIP Match Fund CCIP-8038	CCDR Health & Safety CHST-8038 132	Resource & Referral CRRP-8038 150	Total Reimbursable	Total Non- Reimbursable
Direct payments to providers	\$ 770,833	\$ 723,141	\$ 871,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,365,060	\$ -
1000 Certificated Salaries	-	-	-	-	-	-	-	-	-	-
2000 Classified Salaries	72,706	65,529	77,717	18,558	2,934	3,474	291	126,178	367,387	-
3000 Employee Benefits	15,180	13,517	15,869	2,965	494	762	53	18,155	66,995	-
4000 Books, Supplies and Equipment	1,722	1,937	2,620	110	83	-	2	339	6,813	-
5000 Services/other Operating Expenses	34,375	31,378	39,010	1,989	109	-	2,336	40,916	150,113	-
6100/6200 Other approved capital outlay	-	-	-	-	-	-	-	-	-	-
6400 New equipment	-	-	-	-	-	-	-	-	-	-
6500 Replacement equipment	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Start-up expenses-service level exemption	-	-	-	-	-	-	-	-	-	-
Indirect costs	-	-	-	-	-	-	-	-	-	-
<b>Total expenses claimed for reimbursement</b>	<u>894,816</u>	<u>835,502</u>	<u>1,006,302</u>	<u>23,622</u>	<u>3,620</u>	<u>4,236</u>	<u>2,682</u>	<u>185,588</u>	<u>2,956,368</u>	<u>-</u>
Supplemental expenses	-	-	-	-	-	-	-	65	65	-
<b>Total expenditures</b>	<u>\$ 894,816</u>	<u>\$ 835,502</u>	<u>\$ 1,006,302</u>	<u>\$ 23,622</u>	<u>\$ 3,620</u>	<u>\$ 4,236</u>	<u>\$ 2,682</u>	<u>\$ 185,653</u>	<u>\$ 2,956,433</u>	<u>\$ -</u>

**AUDITED FINAL ATTENDANCE AND FISCAL REPORT FORMS**

**Full Name of Contractor**

<b>Section 1 - Revenue</b>	Column A1 Cumulative Prior Year AUD 9500-AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
<b>Restricted Income Subtotal</b>				
Transfer from Reserve (Alternative Payment Only)				
Family Fees for Certified Children		24,588		24,588
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
<b>Total Revenue</b>		<b>24,588</b>		<b>24,588</b>



Fiscal Year Ending

Contract Number

Vendor Code

**Full Name of Contractor**

<b>Section 2 - Reimbursable Expenses</b>	<b>Column A1 Cumulative Prior Year AUD 9500-AP (Multi-Year Contract Only)</b>	<b>Column A2 Cumulative Current Year CDNFS 9500-AP</b>	<b>Column B Audit Adjustments</b>	<b>Column C Cumulative Per Audit</b>
Direct Payments to Providers		770,833		770,833
1000 Certificated Salaries		11,955	-11,955	0
2000 Classified Salaries		60,750	11,956	72,706
3000 Employee Benefits		15,181	-1	15,180
4000 Books and Supplies		1,722		1,722
5000 Services and Other Operating Expenses		34,375		34,375
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (Include in Administrative Cost)				
Non-Reimbursable (State Use Only)				
<b>Total Reimbursable Expenses</b>		<b>894,816</b>	<b>0</b>	<b>894,816</b>
Total Administrative Cost (included in section 2 above)		57,030	-1	57,029
Days of Operation		246		246

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 3.

Fiscal Year Ending   
 Contract Number    
 Vendor Code

**Full Name of Contractor**

<b>Section 5 - Summary</b>	Column A1 Cumulative Prior Year AUD 9500-AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Program Income				
Interest Earned on Apportionment Payments				
Direct Payments to Providers		770,833		770,833
Total Administrative Costs		57,030	-1	57,029
Days of Operation		246		246
Total Reimbursable Expenses		894,816	0	894,816

Comments

**Full Name of Contractor**

<b>Section 1 - Revenue</b>	Column A1 Cumulative Prior Year AUD 9500-AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
<b>Restricted Income Subtotal</b>				
Transfer from Reserve (Alternative Payment Only)				
Family Fees for Certified Children		43,261		43,261
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
<b>Total Revenue</b>		<b>43,261</b>		<b>43,261</b>

Fiscal Year Ending

Contract Number

Vendor Code

**Full Name of Contractor**

<b>Section 2 - Reimbursable Expenses</b>	Column A1 Cumulative Prior Year AUD 9500-AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers		723,142	-1	723,141
1000 Certificated Salaries		10,328	-10,328	0
2000 Classified Salaries		55,200	10,329	65,529
3000 Employee Benefits		13,517		13,517
4000 Books and Supplies		1,937		1,937
5000 Services and Other Operating Expenses		31,380	-2	31,378
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (Include in Administrative Cost)				
Non-Reimbursable (State Use Only)				
<b>Total Reimbursable Expenses</b>		<b>835,504</b>	<b>-2</b>	<b>835,502</b>
Total Administrative Cost (included in section 2 above)		50,805	-1	50,804
Days of Operation		246		246

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 3.

Fiscal Year Ending   
 Contract Number    
 Vendor Code

**Full Name of Contractor**

<b>Section 5 - Summary</b>	Column A1 Cumulative Prior Year AUD 9500-AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Program Income				
Interest Earned on Apportionment Payments				
Direct Payments to Providers		723,142	-1	723,141
Total Administrative Costs		50,805	-1	50,804
Days of Operation		246		246
Total Reimbursable Expenses		835,504	-2	835,502

Comments

**Full Name of Contractor**

<b>Section 1 - Revenue</b>	Column A1 Cumulative Prior Year AUD 9500-AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
<b>Restricted Income Subtotal</b>				
Transfer from Reserve (Alternative Payment Only)				
Family Fees for Certified Children		24,773		24,773
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
<b>Total Revenue</b>		<b>24,773</b>		<b>24,773</b>

Fiscal Year Ending

Contract Number

Vendor Code

**Full Name of Contractor**

<b>Section 2 - Reimbursable Expenses</b>	<b>Column A1 Cumulative Prior Year AUD 9500-AP (Multi-Year Contract Only)</b>	<b>Column A2 Cumulative Current Year CDNFS 9500-AP</b>	<b>Column B Audit Adjustments</b>	<b>Column C Cumulative Per Audit</b>
Direct Payments to Providers		871,086		871,086
1000 Certificated Salaries		11,933	-11,933	0
2000 Classified Salaries		65,784	11,933	77,717
3000 Employee Benefits		15,869		15,869
4000 Books and Supplies		8,505	-5,885	2,620
5000 Services and Other Operating Expenses		33,124	5,886	39,010
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (Include in Administrative Cost)				
Non-Reimbursable (State Use Only)				
<b>Total Reimbursable Expenses</b>		<b>1,006,301</b>	<b>1</b>	<b>1,006,302</b>
Total Administrative Cost (included in section 2 above)		59,750		59,750
Days of Operation		246		246

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 3.

Fiscal Year Ending   
 Contract Number    
 Vendor Code

**Full Name of Contractor**

<b>Section 5 - Summary</b>	Column A1 Cumulative Prior Year AUD 9500-AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Program Income				
Interest Earned on Apportionment Payments				
Direct Payments to Providers		871,086		871,086
Total Administrative Costs		59,750		59,750
Days of Operation		246		246
Total Reimbursable Expenses		1,006,301	1	1,006,302

Comments



CALIFORNIA DEPARTMENT OF EDUCATION  
 AUDITED FISCAL REPORT FOR CCIP CONTRACTS

A U D 9529-CCIP Page 1 of 4 (06/19)

Fiscal Year Ending	June 30, 2019	
Contract Number	CCIP	8038
Vendor Code	B524	

**Full Name of Contractor** **COMMUNITY RESOURCES FOR CHILDREN**

<b>Section 1 - Revenue</b>	Column A Cumulative CDNFS 9529-CCIP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Match Requirement	4,236		4,236
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
<b>Restricted Income Subtotal</b>	<b>4,236</b>		<b>4,236</b>
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Match Requirement			
Unrestricted Income - Other:			
<b>Total Revenue</b>	<b>4,236</b>		<b>4,236</b>

CALIFORNIA DEPARTMENT OF EDUCATION  
 AUDITED FISCAL REPORT FOR CCIP CONTRACTS

A U D 9529-CCIP Page 2 of 4 (06/19)

Fiscal Year Ending	June 30, 2019	
Contract Number	CCIP	8038
Vendor Code	B524	

Full Name of Contractor **COMMUNITY RESOURCES FOR CHILDREN**

Section 2 - Reimbursable Expenses	Column A Cumulative CDNFS 9529-CCIP	Column B Audit Adjustments	Column C Cumulative Per Audit
1000 Certificated Salaries	2,008	-2,008	0
2000 Classified Salaries	20,024	2,008	22,032
3000 Employee Benefits	3,727		3,727
4000 Books and Supplies	112	-2	110
5000 Services and Other Operating Expenses	1,989		1,989
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (Include in Administrative Cost)			
Non-Reimbursable (State Use Only)			
<b>Total Reimbursable Expenses</b>	<b>27,860</b>	<b>-2</b>	<b>27,858</b>
Total Administrative Cost (included in section 2 above)	7,798	1	7,799

Approved Indirect Cost Rate:

Comments:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 3.

CALIFORNIA DEPARTMENT OF EDUCATION  
 AUDITED FISCAL REPORT FOR CCIP CONTRACTS

A U D 9529-CCIP Page 4 of 4 (06/19)

Fiscal Year Ending	June 30, 2019	
Contract Number	CCIP	8038
Vendor Code	B524	

**Full Name of Contractor** **COMMUNITY RESOURCES FOR CHILDREN**

<b>Section 5 - Summary</b>	<b>Column A Cumulative CDNFS 9529-CCIP</b>	<b>Column B Audit Adjustments</b>	<b>Column C Cumulative Per Audit</b>
Restricted Program Income	4,236		4,236
Match Requirement Restricted Income	4,236		4,236
Match Requirement Unrestricted Income			
Interest Earned on Apportionment Payments			
Total Reimbursable Expenses	27,860	-2	27,858
Total Administrative Cost	7,798	1	7,799

CALIFORNIA DEPARTMENT OF EDUCATION  
 AUDITED FISCAL REPORT FOR  
 CHILD DEVELOPMENT SUPPORT CONTRACTS

Fiscal Year End   
 Contract Number    
 Vendor Code

A U D 9529 Page 1 of 4 (06/19)

**Full Name of Contractor**

<b>Section 1 - Revenue</b>	<b>Column A Cumulative CDNFS 9529</b>	<b>Column B Audit Adjustments</b>	<b>Column C Cumulative Per Audit</b>
Restricted Income - Match Requirement			
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
<b>Restricted Income Subtotal</b>			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Other:			
<b>Total Revenue</b>			

CALIFORNIA DEPARTMENT OF EDUCATION  
 AUDITED FISCAL REPORT FOR  
 CHILD DEVELOPMENT SUPPORT CONTRACTS  
 A U D 9529 Page 2 of 4 (06/19)

Fiscal Year End   
 Contract Number    
 Vendor Code

**Full Name of Contractor**

<b>Section 2 - Reimbursable Expenses</b>	Column A Cumulative CDNFS 9529	Column B Audit Adjustments	Column C Cumulative Per Audit
1000 Certificated Salaries	21	-21	0
2000 Classified Salaries	270	21	291
3000 Employee Benefits	53		53
4000 Books and Supplies		2	2
5000 Services and Other Operating Expenses	2,339	-3	2,336
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (Include in Administrative Cost)			
Non-Reimbursable (State Use Only)			
<b>Total Reimbursable Expenses</b>	<b>2,683</b>	<b>-1</b>	<b>2,682</b>
Total Administrative Cost (included in section 2 above)	392	-1	391

Approved Indirect Cost Rate:

Comments:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 3.

Fiscal Year End   
 Contract Number    
 Vendor Code

Full Name of Contractor

<b>Section 5 - Summary</b>	<b>Column A Cumulative CDNFS 9529</b>	<b>Column B Audit Adjustments</b>	<b>Column C Cumulative Per Audit</b>
Restricted Program Income			
Match Requirement			
Interest Earned on Apportionment Payments			
Total Reimbursable Expenses	2,683	-1	2,682
Total Administrative Cost	392	-1	391

Fiscal Year Ending   
 Contract Number    
 Vendor Code

**Full Name of Contractor**

<b>Section 1 - Revenue</b>	<b>Column A Cumulative CDNFS 2507</b>	<b>Column B Audit Adjustments</b>	<b>Column C Cumulative Per Audit</b>
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
<b>Subtotal</b>			
Transfer from Reserve (Resource & Referral only)			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Other:			
<b>Total Revenue</b>			

CALIFORNIA DEPARTMENT OF EDUCATION  
 AUDITED FISCAL REPORT FOR  
 RESOURCE AND REFERRAL PROGRAMS  
 A U D 2507 Page 2 of 4 (06/19)

Fiscal Year Ending   
 Contract Number    
 Vendor Code

**Full Name of Contractor**

<b>Section 2 - Reimbursable Expenses</b>	<b>Column A Cumulative CDNFS 2507</b>	<b>Column B Audit Adjustments</b>	<b>Column C Cumulative Per Audit</b>
1000 Certificated Salaries	43,514	-43,514	0
2000 Classified Salaries	82,664	43,514	126,178
3000 Employee Benefits	18,155		18,155
4000 Books and Supplies	339		339
5000 Services and Other Operating Expenses	40,917	-1	40,916
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (Include in Administrative Cost)			
Non-Reimbursable (State Use Only)			
<b>Total Reimbursable Expenses</b>	<b>185,589</b>	<b>-1</b>	<b>185,588</b>

Approved Indirect Cost Rate:

Comments:

NO SUPPLEMENTAL REVENUE Check this box and omit Page 3.



Fiscal Year Ending   
 Contract Number    
 Vendor Code

**Full Name of Contractor**

<b>Section 3 - Supplemental Revenue</b>	<b>Column A Cumulative CDNFS 2507</b>	<b>Column B Audit Adjustments</b>	<b>Column C Cumulative Per Audit</b>
Enhancement Funding			
Other:California Child Care Resources and Referral Network	65		65
Other:			
<b>Total Supplemental Revenue</b>	<b>65</b>		<b>65</b>

<b>Section 4 - Supplemental Expenses</b>	<b>Column A Cumulative CDNFS 2507</b>	<b>Column B Audit Adjustments</b>	<b>Column C Cumulative Per Audit</b>
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies	65		65
5000 Services and Other Operating Expenses			
6000 Equipment/Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-reimbursable Expenses 6100-6500 Non-reimbursable Capital Outlay			
<b>Total Supplemental Expenses</b>	<b>65</b>		<b>65</b>

Fiscal Year Ending   
 Contract Number    
 Vendor Code

**Full Name of Contractor**

<b>Section 5 - Summary</b>	<b>Column A Cumulative CDNFS 2507</b>	<b>Column B Audit Adjustments</b>	<b>Column C Cumulative Per Audit</b>
Restricted Program Income			
Transfer from Reserve			
Interest Earned on Apportionment Payments			
Total Reimbursable Expenses	185,589	-1	185,588

CALIFORNIA DEPARTMENT OF EDUCATION  
 AUDITED RESERVE ACCOUNT ACTIVITY REPORT  
 A U D 9530-A Page 1 of 1 (06/19)

Fiscal Year End June 30, 2019  
 Reserve Account Type Alternative Payment  
 Vendor Code B524

**Full Name of Contractor** **COMMUNITY RESOURCES FOR CHILDREN**

<b>Prior Year - Reserve Account Activity</b>	<b>Per 2017-18 AUD 9530-A</b>		
1. Beginning Balance (2017-18 Ending Balance)	1,678		
2. Plus Transfers to Reserve Account:	<b>Per CDNFS 9530</b>		
Contract No.C2AP-8037	9,240		
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
<b>Total Transferred from PY Contracts to Reserve</b>	<b>9,240</b>		
3. Less Excess Reserve to be Billed			
<b>4. Ending Balance on PY Post-Audit CDNFS 9530</b>	<b>10,918</b>		
<b>Current Year - Reserve Account Activity</b>	Column A CDNFS 9530-A	Column B Audit Adjustments	Column C Per Audit
5. Plus Interest Earned This Year on Reserve			
6. Less Transfers to Contracts from Reserve:			
CSPP General-Contract No.			
CSPP General-Contract No.			
CSPP Professional Development-Contract No.			
CSPP Professional Development-Contract No.			
<b>Subtotal CSPP Transfers</b>			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
<b>Subtotal Other Contract Transfers</b>			
<b>Total Transferred to Contracts from Reserve Account</b>			
<b>7. Ending Balance on June 30, 2019</b>	<b>10,918</b>		<b>10,918</b>

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

**GOVERNMENT AUDIT INFORMATION SECTION**



**VASIN, HEYN & COMPANY**

*ABOVE THE BRIGHT LINE*



AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**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 Resources for Children  
(A California Non-Profit Corporation)  
Napa, California

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 Resources for Children (A California Non-Profit Corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2019.

***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 the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Community Resources for Children financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vorwin, Hryn + Co.

Calabasas, California  
December 11, 2019



## VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

### **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 Resources for Children  
(A California Non-Profit Corporation)  
Napa, California

#### ***Report on Compliance for Each Major Federal Program***

We have audited Community Resources for Children's (A California Non-Profit Corporation) 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 Resources for Children's major federal programs for the year ended June 30, 2019. Community Resources for Children major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Community Resources for Children's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community 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 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, 2019.

### ***Report on Internal Control Over Compliance***

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 of compliance, 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 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 required by 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 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.

*Vorzin, Hryn + Co.*

Calabasas, California  
December 11, 2019



**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(FEIN: 94-2524785)**

Federal Grantor, Pass-Through Grantor, Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Program or Award Amount	Federal Expenditures	Non-Federal/ Match Expenditures	Payments to Subrecipients
<b>U.S. Department of Health and Human Services</b>						
Passed Through the California Department of Education						
Resource & Referral	93.575	CCRP-8038	\$ 27,041	\$ 27,041	\$ -	\$ -
Child Care Initiative Project	93.575	CCIP-8038	22,000	17,252	4,236	-
Child Care Initiative Project (CCIP) Grant	93.575	656	43,987	3,296	-	-
CCDF Health & Safety	93.575	CHST-8038	2,794	2,682	-	-
Alternative Payment	93.596	CAPP-8040	964,860	964,860	-	-
Alternative Payment - Stage 2	93.575	C2AP-8037	145,723	145,723	-	-
Alternative Payment - Stage 3	93.575/93.596	C3AP-8036	262,112	262,112	-	-
<b>Child Care and Development Fund (CCDF) Cluster</b>	<b>93.575/93.596</b>		<b>1,468,517</b>	<b>1,422,966</b>	<b>4,236</b>	<b>-</b>
Passed Through the California Department of Social Services (County of Napa):						
CalWorks-Stage 1 Child Care Services						
<b>Temporary Assistance for Needy Families</b>	<b>93.558</b>	4000	<b>600,691</b>	<b>204,144</b>	<b>-</b>	<b>-</b>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES AND FEDERAL EXPENDITURES</b>			<b>\$ 2,069,208</b>	<b>\$ 1,627,110</b>	<b>\$ 4,236</b>	<b>\$ -</b>
<b>STATE FUNDING</b>						
<b>California Department of Education</b>						
General Child Care and Development Programs						
Resource & Referral		CCRP-8038	\$ 156,506	\$ 156,506	\$ -	\$ -
Child Care Initiative Project		CCIP-8038	2,118	2,118	-	-
Alternative Payment		CAPP-8040	436,883	16,668	-	-
Alternative Payment - Stage 2		C2AP-8037	779,355	724,505	-	-
Alternative Payment - Stage 3		C3AP-8036	530,608	530,131	-	-
			<b>1,905,470</b>	<b>1,429,928</b>	<b>-</b>	<b>-</b>
<b>TOTAL STATE EXPENDITURES</b>			<b>\$ 1,905,470</b>	<b>\$ 1,429,928</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL FEDERAL AND STATE EXPENDITURES</b>			<b>\$ 3,974,678</b>	<b>\$ 3,057,038</b>	<b>\$ 4,236</b>	<b>\$ -</b>

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal and State Awards (the "Schedule") includes the federal grant activity of Community Resources for Children under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of Community Resources for Children, it is not intended to and does not present the financial position, changes in net assets or cash flows of Community Resources for Children.

**2. 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 Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**3. DE MINIMIS INDIRECT COST RATE**

Community Resources for Children did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2019.

**4. LOAN AND LOAN GUARANTEE**

Community Resources for Children did not have any balances of loan and loan guarantee programs outstanding at June 30, 2019 for loans described in 2 CFR section 200.50(b).

**COMMUNITY RESOURCES FOR CHILDREN  
(A California Non-Profit Corporation)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

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 auditors' report issued on compliance for major programs

Unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?

\_\_\_\_\_ Yes          X     No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

93.575

**Child Care and Development Fund (CCDF) Cluster:**

Child Care and Development Block Grant

93.596

Child Care Mandatory and Matching Funds of the

Child Care and Development Fund

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes          X     No

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported.

**COMMUNITY RESOURCES FOR CHILDREN**  
**(A California Non-Profit Corporation)**  
**CURRENT AND PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**CURRENT YEAR:**

**2019 Findings:**

There were no 2019 findings noted.

2019 Questioned Costs:

There were no 2019 questioned costs noted.

**PRIOR YEAR:**

**2018 Findings:**

There were no 2018 findings noted.

2018 Questioned Costs:

There were no 2018 questioned costs noted.

**2017 Findings:**

There were no 2017 findings noted.

2017 Questioned Costs:

There were no 2017 questioned costs noted