

COMMUNITY RESOURCES FOR CHILDREN

**REPORT ON SINGLE AUDIT OF
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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**

	Page
GENERAL INFORMATION	1-1
FINANCIAL SECTION	
Independent Auditors' Report	2-1
Financial Statements:	
Statement of Financial Position	2-5
Statement of Activities	2-6
Statement of Functional Expenses	2-7
Statement of Cash Flows	2-8
Notes to Financial Statements	2-9
SUPPLEMENTAL INFORMATION	
Combining Schedule of Activities	3-1
Schedule of Claimed Equipment Expenditures	3-2
Schedule of Claimed Expenditures for Renovations and Repairs	3-3
Schedule of Claimed Administrative Costs	3-4
Schedule of Expenditures by State Categories	3-5
Notes to the Child Care and Development Program Supplemental Information	3-6
AUDITED FINAL ATTENDANCE AND FISCAL REPORT FORMS	4-1
GOVERNMENT AUDIT INFORMATION SECTION	
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	5-6
Notes to Schedule of Expenditures of Federal and State Awards	5-7
Schedule of Findings and Questioned Costs	5-8
Schedule of Current and Prior Years Findings and Questioned Costs	5-9

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
GENERAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

Agency Name: Community Resources for Children

Program Numbers/Type: Contract Numbers:
C2AP-2036 Alternative Payment – Stage 2
C3AP-2035 Alternative Payment – Stage 3
CAPP-1039 Alternative Payment
CAPP-2038 Alternative Payment
CCIP-2038 Child Care Initiative Project
CHST-2038 CCDF Health & Safety
CRRP-2037 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, 2022 through June 30, 2023

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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements Community Resources for Children (A California Non-Profit Corporation) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Resources for Children as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Resources for Children and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adopted Accounting Pronouncement

As described in Note 2 to the financial statement, Community Resources for Children had adopted ASU 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Resources for Children's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Resources for Children's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We previously audited Community Resources for Children's financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Matters

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Combining Schedule of Activities, Schedule of Claimed Equipment Expenditures, Schedule of Claimed Expenditures for Renovations and Repairs, Schedule of Claimed Administrative Costs, Schedule of Expenditures by State Categories, Notes to the Child Care and Development Program Supplemental Information 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. The Combining Schedule of Activities, Schedule of Claimed Equipment Expenditures, Schedule of Claimed Expenditures for Renovations and Repairs, Schedule of Claimed Administrative Costs, Schedule of Expenditures by State Categories, Notes to the Child Care and Development Program Supplemental Information 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. 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 Departments of Education and Social Services (CDE & CDSS Audit Guide)*. 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, Schedule of Claimed Equipment Expenditures, Schedule of Claimed Expenditures for Renovations and Repairs, Schedule of Claimed Administrative Costs, Schedule of Expenditures by State Categories, Notes to the Child Care and Development Program Supplemental Information 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.

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.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Resources for Children's 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.

Vorstin, Hayn + Co.

Calabasas, California
December 11, 2023

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$4,718,492	\$6,754,548
Contracts and grants receivable	238,963	300,140
Short-term investments - other	995,084	-
Deposits and prepaid expenses	9,755	8,021
Operating lease asset ROU	27,364	-
Property and equipment, net	<u>-</u>	<u>222</u>
Total assets	<u>\$5,989,658</u>	<u>\$7,062,931</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 33,351	\$ 73,686
Accrued payroll and related liabilities	75,070	78,177
Provider payments payable	535,906	352,837
Operating lease liability	27,364	-
Deferred revenue	3,981,847	5,317,018
Due to State Child Development reserve	40,276	19,317
Government funded assets	<u>-</u>	<u>222</u>
Total liabilities	4,693,814	5,841,257
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without Donor Restrictions	<u>1,295,844</u>	<u>1,221,674</u>
Total net assets	<u>1,295,844</u>	<u>1,221,674</u>
Total liabilities and net assets	<u>\$5,989,658</u>	<u>\$7,062,931</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, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
REVENUE AND SUPPORT		
Governmental service contracts	\$ 7,415,830	\$ 5,144,352
Contributions and grants	677,817	699,729
Fees for services	-	204
Interest income	9,072	471
Other income	10,082	6,676
Fundraising	-	77
Total revenue and support	8,112,801	5,851,509
EXPENSES		
Resource and Referral	253,740	230,037
Alternative Payment Programs	6,323,220	4,248,999
Support Programs from California Department of Social Services	294,009	133,540
CalWorks Stage 1 Program	449,434	258,767
Non-CDSS Programs	671,783	784,444
Support services	46,445	33,704
Total expenses	8,038,631	5,689,491
CHANGE IN NET ASSETS	74,170	162,018
NET ASSETS - beginning of year	1,221,674	1,059,656
NET ASSETS - end of year	\$ 1,295,844	\$ 1,221,674

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, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	<u>Program Services</u>	<u>Supporting Services</u>	<u>2023 Total Expenses</u>	<u>2022 Total Expenses</u>
Salaries and related expenses				
Salaries and wages	\$ 1,252,374	\$ 27,658	\$ 1,280,032	\$ 1,111,370
Payroll taxes	98,857	2,076	100,933	91,531
Employee benefits	<u>122,404</u>	<u>3,602</u>	<u>126,006</u>	<u>64,824</u>
	1,473,635	33,336	1,506,971	1,267,725
Other expenses				
Advertising	7,462	-	7,462	448
Consultants and contracts	30,127	-	30,127	31,267
Depreciation	-	222	222	1,248
Dues, memberships, and fees	60,360	1,544	61,904	50,641
Insurance	8,663	-	8,663	9,841
Leased equipment	8,685	-	8,685	6,757
Materials and supplies	81,912	2,836	84,748	49,954
Occupancy	81,178	-	81,178	93,727
Other operating expenses	49,991	7,776	57,767	20,932
Postage and printing	8,697	3	8,700	5,255
Provider incentives	931,425	400	931,825	300,718
Provider payments	5,225,035	-	5,225,035	3,826,202
Telephone and online services	17,132	21	17,153	14,895
Training and seminars	6,837	230	7,067	9,468
Travel and conferences	<u>1,047</u>	<u>77</u>	<u>1,124</u>	<u>413</u>
Total Expenses	<u>\$ 7,992,186</u>	<u>\$ 46,445</u>	<u>\$ 8,038,631</u>	<u>\$ 5,689,491</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, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 74,170	\$ 162,018
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	222	1,248
(Increase) decrease in:		
Contracts and grants receivable	61,177	173,856
Deposits and prepaid expenses	(1,734)	656
Operating lease asset ROU	(27,364)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(40,335)	42,964
Accrued payroll and related liabilities	(3,107)	19,439
Provider payments payable	183,069	64,030
Operating lease liability	27,364	-
Deferred revenue	(1,335,171)	5,101,114
Due to State Child Development Reserves	20,959	-
Government funded assets	(222)	(1,187)
 Total adjustments	 (1,115,142)	 5,402,120
 Net Cash Provided (Used) by Operating Activities	 (1,040,972)	 5,564,138
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of short-term investments - other	(995,084)	-
 Net Cash Provided (Used) by Investing Activities	 (995,084)	 -
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (2,036,056)	 5,564,138
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 6,754,548	 1,190,410
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 \$ 4,718,492	 \$ 6,754,548

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, 2023

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 California Department of Social Services 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 an accrual basis.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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.

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:

- *Net assets 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.
- *Net assets 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, 2023

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 and grants receivable and are stated at the amount management expects to collect from outstanding balances. Contracts and grants 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, 2023.

Short-Term 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." There were no long-term investments-other held at June 30, 2023.

Deposits and Prepaid Expenses

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

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 \$5,000 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:

Computers	3 years
Furniture and Fixtures	3 -5 years
Office equipment	3 -5 years

Furniture, property 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.

Property and equipment 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 (PTO) is based on the number of years of an eligible employee's continuous employment. The value of accumulated vacation benefits as of June 30, 2023 was \$56,308.

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, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Adopted Accounting Pronouncement

In February 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)* to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the Statement of Financial Position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Agency applied the standard effective June 1, 2022, and recognized and measured leases existing at, or entered into after, June 1, 2022 (the beginning of the earliest comparative period presented) using a modified retrospective approach, with certain practical expedients available. In addition, Community Resources for Children elected the risk-free method for assessing present value.

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.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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, 2023, Community Resources for Children had no material unrecognized tax benefits, tax penalties or interest.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Community Resources for Children's Forms 990, *Return of Organization Exempt from Income Tax*, for each of the tax years ended June 30, 2022, 2021, and 2020, are subject to examination by the IRS, generally for 3 years after they were filed.

Community Resources for Children's Forms 199, *California Exempt Organization Return*, for each of the tax years ended June 30, 2022, 2021, 2020, and 2019, are subject to examination by the Franchise Tax Board, generally for 4 years after they were filed.

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. Community Resources for Children's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2022 comparative totals have been reclassified to conform with the 2023 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, 2022, 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, 2023

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 receivables approximate fair value because of the terms and relatively short maturity of these financial instruments. The certificates of deposit are valued at quoted market prices, which represent the net asset value of shares 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. 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, 2023, are Level 2 inputs.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

3. CONTRACTS AND GRANTS RECEIVABLE

At June 30, 2023, accounts and grants receivable consisted of the following:

	Amount
CDSS Social Services	\$ 13,770
First 5 Napa	82,384
Napa County Health and Human Services	142,809
Total Contracts and Grants Receivable	\$ 238,963

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, 2023.

4. SHORT-TERM INVESTMENTS - OTHER

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, 2023, are Level 2 inputs.

Investments consist of the following at June 30, 2023:

	Level 2
Short-term investments	\$ 995,084
Total investments	\$ 995,084

At June 30, 2023, 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:

	Amount
Interest income from cash and cash equivalents accounts	\$ 9,072
Total interest and investment income	\$ 9,072

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

(CONTINUED)

5. PROPERTY AND EQUIPMENT, NET

Property and equipment at June 30, 2023 consisted of the following:

	Government Funded	Agency Owned	Total
Computers	\$ -	\$ 1,875	\$ 1,875
Furniture and Fixtures	6,444	11,669	18,113
Office Equipment	<u>3,042</u>	<u>-</u>	<u>3,042</u>
	9,486	13,544	23,030
Accumulated depreciation	<u>(9,486)</u>	<u>(13,544)</u>	<u>(23,030)</u>
Property and Equipment, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The depreciation expense for the year ended June 30, 2023 was \$222.

6. DUE TO STATE CHILD DEVELOPMENT RESERVE

Child development contractors are allowed, with prior CDSS 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 a reserve account for their alternative Payment (AP) contracts and funds are deposited into an interest-bearing account. The reserve account balance at June 30, 2023, was \$40,276, which is recorded as an asset in the cash account. Also, upon termination of all Alternative Payment contracts, Community Resources for Children would have to return the reserve funds to CDSS, so the reserve account is recorded as a liability (deferred revenue) in the amount of \$40,276.

The reserve account balance of \$40,276 includes interest of \$14 that the bank paid on the account balances during the year ended June 30, 2023.

As of June 30, 2023, the balance for the CDSS reserve account was \$40,276.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

7. CONTINGENCIES

Contracts and Grants

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.

Legal

In the ordinary course of business, Community Resources for Children may be subject to certain lawsuits and other potential legal actions. Community Resources for Children is not aware of any pending legal matters as of June 30, 2023.

8. 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 direct child care costs 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 benefiting.

- 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.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

9. LEASE COMMITMENTS

Leases

The agency has obligations as a lessee for office space and equipment with initial noncancelable terms in excess of one year. These leases generally contain renewal options for periods ranging from three to five years. Fixed payments are due under these leases. Community Resources for Children records short-term leases (those less than 12 months in duration) as operating expenditures in the period in which the lease obligations are incurred.

The components of lease cost for the year ended June 30, 2023 are as follows:

Operating lease cost	\$ 74,096
Short term lease costs	<u>2,505</u>
Total lease cost	<u>\$ 76,601</u>

Operating lease, right-of-use assets	\$ 27,364
--------------------------------------	-----------

Operating lease liability	\$ 27,364
---------------------------	-----------

Other information related to leases at June 30, 2023 was as follows:

Supplemental Cash Flow Information

Cash paid for amount included in the measurement of lease liabilities	
Operating cash flow from operating leases	\$ 74,096

ROU assets obtained in exchange for lease obligations:	
Operating leases	\$100,672

Reductions to ROU assets resulting from reductions to lease obligations:	
Operating leases	\$ 73,308

Weighted average remaining lease term	60 months
---------------------------------------	-----------

Weighted average discount rate (risk-free rate)	3.58%
---	-------

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

9. LEASE COMMITMENTS – (continued)

Amounts disclosed for ROU assets obtained in exchange for lease obligations and reductions to ROU assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of ROU assets resulting from new lease, lease modifications or reassessments. Maturities of lease liabilities under noncancellable operating leases are as follows:

Year Ended June 30;	Amount
2024	\$ 6,127
2025	6,127
2026	6,127
2027	6,127
2028	<u>5,353</u>
Total undiscounted lease payments	29,861
Less present value discount	<u>(2,497)</u>
Lease liability balance	<u>\$ 27,364</u>

10. 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.

11. FUNDRAISING

Community Resources for Children hosted a fundraising event during the fiscal year ending June 30, 2023, which generated fundraising revenue of \$15,491 of which \$11,529 is from contributions and sponsorships. The breakdown for the fundraising event is as follows:

	<u>Revenue</u>	<u>Event Sales</u>	<u>Expenses</u>	<u>Net Revenue</u>
Spring Into Action for Children	<u>\$ 11,529</u>	<u>\$ 3,962</u>	<u>\$ (475)</u>	<u>\$ 15,016</u>

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

12. LIQUIDITY AND FUNDS AVAILABLE

The total financial assets held by the Community Resources for Children at June 30, 2023 and the amount of those financial assets that could be made available for general expenditure within one year of the date of the statement of financial position are summarized in the following table:

	<u>June 30, 2023</u>
Financial assets	
Cash and cash equivalents	\$ 5,713,576
Contract and grants receivable	238,963
Short-term investments - other	<u>995,084</u>
Total financial assets:	<u>\$ 6,947,623</u>
Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 6,947,623</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, 2023 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, 2023
(CONTINUED)

13. CONCENTRATIONS

Concentration of Revenue Sources

During the year ended June 30, 2023, Community Resources for Children had three major revenue funding sources. The California Department of Social Services accounted for approximately 85%, the County of Napa accounted for approximately 7% and First 5 of Napa County accounted for approximately 3% 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, 2023 were \$0. 100% of cash balances were deposited into different accounts, with different banking institutions, and each account had a balance of less than \$250,000; therefore, all funds were FDIC insured.

14. SUBSEQUENT EVENTS

Community Resources for Children has evaluated its financial position and activities from the June 30, 2023 year end of this report through December 11, 2023, 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.

SUPPLEMENTAL INFORMATION

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Alternative Payment C2AP-2036	Alternative Payment C3AP-2035	Alternative Payment CAPP-2038	Alternative Payment CAPP-1039	Child Care Initiative Project CCIP-2038	Child Care Initiative Project Expansion CCIP-EXP	CCDF Health & Safety CHST-2038	Instructional Materials & Supplies IM&S	Resource & Referral CRRP-2037	Alternative Payment Program Capacity Grant APP CAPACITY	Alternative Payment Provider Stipends CDSS STIPENDS	Child Care Providers United Support CCPU SUPPORT	Total CDSS Programs
Revenue													
Grant Income:													
Federal Programs	\$ 153,385	\$ 673,961	\$ -	\$ 2,261,878	\$ 22,000	\$ 211,153	\$ 2,794	\$ 45,686	\$ 66,280	8,459	\$ 752,981	\$ 1,018	\$ 4,199,595
State Programs	36,600	83,500	-	2,357,601	1,363	-	-	-	179,206	-	-	-	2,658,270
Contributions and grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	3,315	-	-	-	-	-	-	-	-	3,315
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract settlements	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	189,985	757,461	-	4,622,794	23,363	211,153	2,794	45,686	245,486	8,459	752,981	1,018	6,861,180
Expenses													
Salaries and wages	18,414	77,152	-	445,309	19,305	73,192	305	865	199,809	3,972	-	868	839,191
Payroll taxes	1,464	6,154	-	35,458	1,506	6,090	23	65	15,451	292	-	64	66,567
Employee benefits	1,633	7,088	-	39,960	2,406	6,106	43	108	19,953	395	-	86	77,778
Advertising	5	19	-	151	-	7,264	-	-	-	-	-	-	7,439
Consultants and contracts	817	3,363	-	19,731	4	925	8	208	75	17	1,468	-	26,616
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues, memberships and fees	1,419	5,779	-	32,763	685	412	4	293	7,301	20	1,578	-	50,254
Insurance	182	750	-	4,387	34	217	1	29	681	2	204	-	6,487
Leased equipment	221	879	-	5,381	24	125	25	-	721	-	11	-	7,387
Materials and supplies	239	932	-	6,212	-	126	-	43,871	122	3,737	263	-	55,502
Occupancy	1,767	7,370	-	42,874	310	1,983	9	265	6,713	21	1,868	-	63,180
Other operating expenses	1,042	3,239	-	22,048	47	2,365	8	-	704	-	659	-	30,112
Postage and printing	164	618	-	4,104	57	3,146	-	-	95	-	3	-	8,187
Provider incentives	-	-	-	-	-	108,750	2,383	-	-	-	746,455	-	857,588
Provider payments	162,319	642,753	-	3,957,027	-	-	-	-	-	-	-	-	4,762,099
Telephone and online services	201	849	-	4,958	122	482	1	16	1,422	3	118	-	8,172
Training and seminars	93	498	-	2,308	-	316	1	-	513	-	350	-	4,079
Travel and conferences	5	18	-	122	-	2	-	-	180	-	4	-	331
Total expenses	189,985	757,461	-	4,622,793	24,500	211,501	2,811	45,720	253,740	8,459	752,981	1,018	6,870,969
CHANGE IN NET ASSETS	\$ -	\$ -	\$ -	\$ 1	\$ (1,137)	\$ (348)	\$ (17)	\$ (34)	\$ (8,254)	\$ -	\$ -	\$ -	\$ (9,789)

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Napa First 5 Grants</u>	<u>Quality Early Learning Programs</u>	<u>Napa Valley Vintners</u>	<u>Small Projects</u>	<u>CalWorks Stage 1 Program</u>	<u>Emergency Child Care Bridge Program</u>	<u>Support</u>	<u>Total Programs and Support</u>
Revenue								
Grant Income:								
Federal Programs	\$ -	\$ -	\$ -	\$ -	\$ 449,434	\$ 108,531	\$ -	\$4,757,560
State Programs	-	-	-	-	-	-	-	2,658,270
Contributions and grants	270,651	266,037	66,667	20,703	-	-	53,759	677,817
Fees for services	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	5,757	9,072
Other Income	-	-	-	10,082	-	-	-	10,082
Fundraising	-	-	-	-	-	-	-	-
Contract settlements	-	-	-	-	-	-	-	-
Total revenue	<u>270,651</u>	<u>266,037</u>	<u>66,667</u>	<u>30,785</u>	<u>449,434</u>	<u>108,531</u>	<u>59,516</u>	<u>8,112,801</u>
Expenses								
Salaries and wages	194,581	152,484	1,223	10,321	41,581	12,993	27,658	1,280,032
Payroll taxes	14,895	12,195	89	802	3,293	1,016	2,076	100,933
Employee benefits	22,425	15,758	118	1,271	3,695	1,359	3,602	126,006
Advertising	2	1	-	-	18	2	-	7,462
Consultants and contracts	347	766	4	65	1,893	436	-	30,127
Depreciation	-	-	-	-	-	-	222	222
Dues, memberships and fees	2,039	841	3	3,830	2,882	511	1,544	61,904
Insurance	423	985	-	10	540	218	-	8,663
Leased equipment	34	719	-	-	512	33	-	8,685
Materials and supplies	476	8,172	337	5,075	643	11,707	2,836	84,748
Occupancy	3,909	9,049	4	82	4,037	917	-	81,178
Other operating expenses	8,353	5,564	1	3,241	2,309	411	7,776	57,767
Postage and printing	12	-	-	-	425	73	3	8,700
Provider incentives	22,838	50,999	-	-	-	-	400	931,825
Provider payments	-	-	-	-	386,900	76,036	-	5,225,035
Telephone and online services	1,486	1,264	-	5,642	465	103	21	17,153
Training and seminars	1,833	385	-	6	230	304	230	7,067
Travel and conferences	186	244	-	272	11	3	77	1,124
Total expenses	<u>273,839</u>	<u>259,426</u>	<u>1,779</u>	<u>30,617</u>	<u>449,434</u>	<u>106,122</u>	<u>46,445</u>	<u>8,038,631</u>
CHANGE IN NET ASSETS	<u>\$ (3,188)</u>	<u>\$ 6,611</u>	<u>\$ 64,888</u>	<u>\$ 168</u>	<u>\$ -</u>	<u>\$ 2,409</u>	<u>\$ 13,071</u>	<u>\$ 74,170</u>

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF CLAIMED EQUIPMENT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Alternative Payment C2AP-2036</u>	<u>Alternative Payment C3AP-2035</u>	<u>Alternative Payment CAPP-2038</u>	<u>Alternative Payment CAPP-1039</u>	<u>Child Care Initiative Project CCIP-2038</u>	<u>Child Care Initiative Project Expansion CCIP-EXP</u>	<u>CCDF Health & Safety CHST-2038</u>	<u>Resource & Referral CRRP-2037</u>	<u>Total Costs</u>
Capitalize equipment expense on the AUD with prior written approval:									
Item:									
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total:	-	-	-	-	-	-	-	-	-
Capitalize equipment expense on the AUD without prior written approval:									
Item:									
None	-	-	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	-	-	-
Total Equipment Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Community Resources for Children's capitalization threshold is \$5,000 or more.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF CLAIMED EXPENDITURES FOR RENOVATIONS AND REPAIRS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Alternative Payment C2AP-2036</u>	<u>Alternative Payment C3AP-2035</u>	<u>Alternative Payment CAPP-2038</u>	<u>Alternative Payment CAPP-1039</u>	<u>Alternative Payment CCIP-2038</u>	<u>CCDF Health & Safety CHST-2038</u>	<u>Resource & Referral CRRP-2037</u>	<u>Total Costs</u>
Unit Cost Under \$10,000 Per Item:								
Item:								
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total:	-	-	-	-	-	-	-	-
Unit Cost \$10,000 or More Per Item With Prior Written Approval:								
Item:								
None	-	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	-	-
Unit Cost \$10,000 or More Per Item Without Prior Approval:								
Item:								
None	-	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	-	-
Total Expenditures for Renovations & Repairs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF CLAIMED ADMINISTRATIVE COSTS
FOR THE YEAR ENDED JUNE 30, 2023

	Alternative Payment <u>C2AP-2036</u>	Alternative Payment <u>C3AP-2035</u>	Alternative Payment <u>CAPP-2038</u>	Alternative Payment <u>CAPP-1039</u>	Child Care Initiative Project <u>CCIP-2038</u>	Child Care Initiative Project Expansion <u>CCIP-EXP</u>	CCDF Health & Safety <u>CHST-2038</u>	Resource & Referral <u>CRRP-2037</u>	Total Reimbursable
1000 Certificated Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2000 Classified Salaries	5,005	21,438	-	123,432	4,055	18,948	305	-	173,183
3000 Employee Benefits	898	3,939	-	22,119	739	3,499	66	-	31,260
4000 Books and Supplies	28	104	-	712	-	19	-	-	863
5000 Services and Other Expenses	2,382	9,675	-	58,354	16	1,920	32	-	72,379
6400 New Equipment	-	-	-	-	-	-	-	-	-
Total Administrative Costs	<u>\$ 8,313</u>	<u>\$ 35,156</u>	<u>\$ -</u>	<u>\$ 204,617</u>	<u>\$ 4,810</u>	<u>\$ 24,386</u>	<u>\$ 403</u>	<u>\$ -</u>	<u>\$ 277,685</u>

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2023

	Alternative Payment C2AP-2036	Alternative Payment C3AP-2035	Alternative Payment CAPP-2038	Alternative Payment CAPP-1039	Child Care Initiative Project CCIP-2038	Child Care Initiative Project Expansion CCIP-EXP	CCDF Health & Safety CHST-2038	Instructional Materials & Supplies IM&S	Resource & Referral CRRP-2037	Alternative Payment Program Capacity Grant APP CAPACITY	Alternative Payment Provider Stipends CDSS STIPENDS	Child Care Providers United Support CCPU SUPPORT	Total Reimbursable
Direct payments to providers	\$ 162,319	\$ 642,753	\$ -	\$ 3,957,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,762,099
1000 Certificated Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-
2000 Classified Salaries	18,414	77,152	-	445,309	19,305	73,192	305	865	199,809	3,972	-	868	839,191
3000 Employee Benefits	3,097	13,242	-	75,418	3,912	12,197	66	173	35,404	687	-	150	144,346
4000 Books, Supplies and Equipment	239	932	-	6,212	-	126	-	43,871	122	3,737	263	-	55,502
5000 Services/other Operating Expenses	5,916	23,382	-	138,827	1,283	125,986	2,440	811	18,405	63	752,718	-	1,069,831
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	<u>189,985</u>	<u>757,461</u>	<u>-</u>	<u>4,622,793</u>	<u>24,500</u>	<u>211,501</u>	<u>2,811</u>	<u>45,720</u>	<u>253,740</u>	<u>8,459</u>	<u>752,981</u>	<u>1,018</u>	<u>6,870,969</u>
Supplemental expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures by State Categories	<u>\$ 189,985</u>	<u>\$ 757,461</u>	<u>\$ -</u>	<u>\$ 4,622,793</u>	<u>\$ 24,500</u>	<u>\$ 211,501</u>	<u>\$ 2,811</u>	<u>\$ 45,720</u>	<u>\$ 253,740</u>	<u>\$ 8,459</u>	<u>\$ 752,981</u>	<u>\$ 1,018</u>	<u>\$ 6,870,969</u>

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO THE CHILD CARE AND DEVELOPMENT PROGRAM
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

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

1. Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. Community Resources for Children had no interest expense claimed as a reimbursable expense for the year ended June 30, 2023. No interest expense relating to a line of credit was claimed to a child development contract for the year ended June 30, 2023.
2. All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. There was no related party rent expense claimed as a reimbursable expense for the year ended June 30, 2023.
3. Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2023.

AUDITED FINAL ATTENDANCE AND FISCAL REPORT FORMS

AUDITED FISCAL REPORT FOR CALWORKS, ALTERNATIVE PAYMENT OR FAMILY CHILD CARE HOME PROGRAMS

Fiscal Year Ending **June 30, 2023**

Contract Number **C2AP2036**

Vendor Code **B524**

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

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*		11,365		11,365
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)				

Contract Number **C2AP2036**

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

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		162,319		162,319
1000 Certificated Salaries				
2000 Classified Salaries		18,414		18,414
3000 Employee Benefits		3,097		3,097
4000 Books and Supplies		239		239
5000 Services and Other Operating Expenses		5,916		5,916
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
Total Reimbursable Expenses		189,985		189,985
Total Administrative Cost (included in Section 2 above)		8,313		8,313
Days of Operation		246		246

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number **C2AP2036**

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

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers		162,319		162,319
Total Administrative Cost		8,313		8,313
Days of Operation		246		246
Total Reimbursable Expenses		189,985		189,985

Comments:

AUDITED FISCAL REPORT FOR CALWORKS, ALTERNATIVE PAYMENT OR FAMILY CHILD CARE HOME PROGRAMS

Fiscal Year Ending **June 30, 2023**

Contract Number **C3AP2035**

Vendor Code **B524**

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

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*		39,303		39,303
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)				

Contract Number **C3AP2035**

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

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		642,753		642,753
1000 Certificated Salaries				
2000 Classified Salaries		77,152		77,152
3000 Employee Benefits		13,242		13,242
4000 Books and Supplies		932		932
5000 Services and Other Operating Expenses		23,382		23,382
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
Total Reimbursable Expenses		757,461		757,461
Total Administrative Cost (included in Section 2 above)		35,156		35,156
Days of Operation		246		246

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number

C3AP2035

Full Name of Contractor COMMUNITY RESOURCES FOR CHILDREN

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers		642,753		642,753
Total Administrative Cost		35,156		35,156
Days of Operation		246		246
Total Reimbursable Expenses		757,461		757,461

Comments:

AUDITED FISCAL REPORT FOR CALWORKS, ALTERNATIVE PAYMENT OR FAMILY CHILD CARE HOME PROGRAMS

Fiscal Year Ending **June 30, 2023**

Contract Number **CAPP2038**

Vendor Code **B524**

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

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		9,772	-9,772	
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		9,772	-9,772	

Contract Number CAPP2038

Full Name of Contractor COMMUNITY RESOURCES FOR CHILDREN

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers				
1000 Certificated Salaries				
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses				
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
Total Reimbursable Expenses				
Total Administrative Cost (included in Section 2 above)				
Days of Operation		246		246

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number **CAPP2038**

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

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		9,772	-9,772	
Direct Payments to Providers				
Total Administrative Cost				
Days of Operation		246		246
Total Reimbursable Expenses				

Comments:

AUDITED FISCAL REPORT FOR CALWORKS, ALTERNATIVE PAYMENT OR FAMILY CHILD CARE HOME PROGRAMS

Fiscal Year Ending **June 30, 2023**

Contract Number **CAPP1039**

Vendor Code **B524**

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

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*	56,400	445,154		501,554
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		3,315		3,315
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		3,315		3,315

Contract Number **CAPP1039**

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

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers	1,093,268	3,957,027		5,050,295
1000 Certificated Salaries				
2000 Classified Salaries	122,541	445,309		567,850
3000 Employee Benefits	18,091	75,418		93,509
4000 Books and Supplies	2,973	6,212		9,185
5000 Services and Other Operating Expenses	42,931	138,827		181,758
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
Total Reimbursable Expenses	1,279,804	4,622,793		5,902,597
Total Administrative Cost (included in Section 2 above)	64,861	204,617		269,478
Days of Operation	246			246

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number **CAPP1039**

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

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		3,315		3,315
Direct Payments to Providers	1,093,268	3,957,027		5,050,295
Total Administrative Cost	64,861	204,617		269,478
Days of Operation	246			246
Total Reimbursable Expenses	1,279,804	4,622,793		5,902,597

Comments:

**AUDITED FISCAL REPORT FOR
CHILD DEVELOPMENT SUPPORT CONTRACTS**

Fiscal Year Ending **June 30, 2023**

Contract Number **CCIP2038**

Vendor Code **B524**

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

Section 1 - Revenue

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Match Requirement (CCIP and CLPC only)			
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Match Requirement (CCIP and CLPC only)			
Unrestricted Income - Other:			
Total Revenue			

Contract Number **CCIP2038**

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

Section 2 - Reimbursable Expenses

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries	19,305		19,305
3000 Employee Benefits	3,912		3,912
4000 Books and Supplies			
5000 Services and Other Operating Expenses	1,283		1,283
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	24,500		24,500
Total Administrative Cost (included in Section 2 above)	4,810		4,810

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number

CCIP2038

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

Section 5 - Summary

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income			
Restricted Income - Match Requirement (CCIP and CLPC only)			
Unrestricted Income - Match Requirement			
Interest Earned on Child Development Apportionment Payments			
Total Reimbursable Expenses	24,500		24,500
Total Administrative Cost	4,810		4,810

Comments:

**AUDITED FISCAL REPORT FOR
CHILD DEVELOPMENT SUPPORT CONTRACTS**

Fiscal Year Ending **June 30, 2023**

Contract Number **CHST2038**

Vendor Code **B524**

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

Section 1 - Revenue

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Match Requirement (CCIP and CLPC only)			
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Match Requirement (CCIP and CLPC only)			
Unrestricted Income - Other:			
Total Revenue			

Contract Number CHST2038

Full Name of Contractor COMMUNITY RESOURCES FOR CHILDREN

Section 2 - Reimbursable Expenses

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries	305		305
3000 Employee Benefits	66		66
4000 Books and Supplies			
5000 Services and Other Operating Expenses		2,440	2,440
6100/6200 Other Approved Capital Outlay	2,440	-2,440	
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	2,811		2,811
Total Administrative Cost (included in Section 2 above)	403		403

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number

CHST2038

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

Section 5 - Summary

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income			
Restricted Income - Match Requirement (CCIP and CLPC only)			
Unrestricted Income - Match Requirement			
Interest Earned on Child Development Apportionment Payments			
Total Reimbursable Expenses	2,811		2,811
Total Administrative Cost	403		403

Comments:

AUDITED FISCAL REPORT FOR RESOURCE AND REFERRAL PROGRAMS

Fiscal Year Ending **June 30, 2023**

Contract Number **CRRP2037**

Vendor Code **B524**

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

Section 1 - Revenue

	Column A Cumulative FY CDNFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Transfer from Reserve (resource & referral only)			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Other:			
Total Revenue			

Contract Number

CRRP2037

Full Name of Contractor

COMMUNITY RESOURCES FOR CHILDREN

Section 2 - Reimbursable Expenses

	Column A Cumulative FY CDNFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries	199,809		199,809
3000 Employee Benefits	35,404		35,404
4000 Books and Supplies	122		122
5000 Services and Other Operating Expenses	18,405		18,405
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	253,740		253,740

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number

CRRP2037

Full Name of Contractor

COMMUNITY RESOURCES FOR CHILDREN

Section 5 - Summary

	Column A Cumulative FY CDNFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income			
Transfer from Reserve			
Interest Earned on Apportionment Payments			
Total Reimbursable Expenses	253,740		253,740

Comments:

AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Fiscal Year End	June 30, 2023
Reserve Account Type	Alternative Payment
Vendor Code	B524

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

Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2021–22 AUD 9530A Ending Balance)	25,070
2. Plus Transfers to Reserve Account:	Per 2021–22 Post-Audit CDNFS 9530
Contract No. C2AP1036	2,726
Contract No. C3AP1035	12,466
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Total Transferred from 2021–22 Contracts to Reserve	15,192
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2021-22 Post-Audit CDNFS 9530	40,262

Section 2 - Current Year (2022–23) Reserve Account Activity

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve:	14		14
6. Less Transfers to Contracts from Reserve:			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Total Transferred to Contracts from Reserve Account			
7. Ending Balance on June 30, 2023	40,276		40,276

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, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2023.

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) as a basis for designing 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 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Voxian, Hryn + Co.

Calabasas, California
December 11, 2023



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

Opinion on Each Major Federal Program

We have audited Community Resources for Children (A California Non-Profit Corporation) compliance with the types of compliance requirements identified as subject to audit 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, 2023. Community Resources for Children's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community Resources for Children's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Community Resources for Children's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Community Resources for Children's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit, no such opinion is expressed.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Vorwin, Heyn + Co.

Calabasas, California
December 11, 2023

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023
(FEIN: 94-2524785)

Federal Grantor, Pass-Through Grantor, Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Program or Award Amount	Expenditures
U.S. Department of Health and Human Services				
Child Care and Development Fund Cluster:				
Passed Through California Department of Social Services				
Alternative Payment-Capacity Grant	93.575		\$ 100,000	\$ 8,459
Alternative Payment-Stipends (COVID-19)	93.575	SB115 & AB179 Stipends	840,817	752,981
Child Care Providers United Support			31,000	1,018
Instructional Materials & Supplies	93.575	FGRT-21-CCD-GAN-IMS35	45,686	45,686
Resource & Referral	93.575	CRRP-2037	66,280	66,280
Child Care Initiative Project	93.575	CCIP-2038	22,000	22,000
Child Care Initiative Project ARPA Expansion	93.575	FGRT-21-CDD-CCIP38	211,153	211,153
CCDF Health & Safety	93.575	CHST-2038	2,794	2,794
Alternative Payment	93.575/93.596	CAPP-1039	2,265,193	2,265,193
Alternative Payment-Stage 2	93.575	C2AP-2036	153,385	153,385
Alternative Payment-Stage 3	93.575/93.596	C3AP-2035	673,961	673,961
Child Care and Development Fund (CCDF) Cluster	93.575/93.596		4,412,269	4,202,910
Passed Through California Department of Social Services (County of Napa):				
CalWorks-Stage 1 Child Care Services	93.558	4000	600,691	449,434
Emergency Child Care Bridge Program	93.558	190321B	233,441	106,122
Temporary Assistance for Needy Families	93.558		834,132	555,556
U.S. Department of Health and Human Services			5,246,401	4,758,466
TOTAL FEDERAL EXPENDITURES			\$ 5,246,401	\$ 4,758,466
STATE FUNDING				
California Department of Social Services				
General Child Care and Development Programs				
Resource & Referral		CRRP-2037	\$ 179,206	\$ 179,206
Child Care Initiative Project		CCIP-2038	2,118	1,365
Alternative Payment		CAPP-1039	3,111,520	2,357,600
Alternative Payment-Stage 2		C2AP-2036	208,053	36,600
Alternative Payment-Stage 3		C3AP-2035	492,876	83,500
			3,993,773	2,658,271
TOTAL STATE EXPENDITURES			\$ 3,993,773	\$ 2,658,271
TOTAL FEDERAL AND STATE EXPENDITURES			\$ 9,240,174	\$ 7,416,737

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. 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, 2023.

4. LOAN AND LOAN GUARANTEE

Community Resources for Children did not have any balances of loan and loan guarantee programs outstanding at June 30, 2023 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, 2023**

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)

93.575
93.596

Name of Federal Program or Cluster
Child Care and Development Fund (CCDF) Cluster:
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?

 X Yes _____ 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)
SCHEDULE OF CURRENT AND PRIOR YEARS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

CURRENT YEAR:

2023 Findings:

There were no 2023 findings noted.

2023 Questioned Costs:

There were no 2023 questioned costs noted.

PRIOR YEARS:

2022 Findings:

There were no 2022 findings noted.

2022 Questioned Costs:

There were no 2022 questioned costs noted.

2021 Findings:

There were no 2021 findings noted.

2021 Questioned Costs:

There were no 2021 questioned costs noted.