

# **Hively**

Financial Statements  
and Single Audit Reports and Schedules  
and State Childcare Development Reports

June 30, 2024  
(With Comparative Totals for 2023)



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Hively  
Pleasanton, California

### **Opinion**

We have audited the accompanying financial statements of Hively (a California nonprofit corporation) (the "Agency"), which comprise the statement of financial position as of June 30, 2024, 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 referred to above present fairly, in all material respects, the financial position of Hively as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hively 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 opinion.

### **Change in Accounting Principle**

As discussed in Note 2 to the financial statements, the Agency adopted Financial Accounting Standards Board (FASB) Topic 326, *Financial Instruments - Credit Losses*. Our opinion is not modified with respect to that matter.

## **Report on Summarized Comparative Information**

We have previously audited Hively's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Hively's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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. The accompanying supplementary information shown on pages 32 - 74 for California Department of Social Services is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 the Agency's internal control over financial reporting and compliance.



Armanino<sup>LLP</sup>  
San Francisco, California

December 11, 2024

Hively  
Statement of Financial Position  
June 30, 2024  
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,927,896	\$ 3,061,984
Restricted cash	83,484	86,085
Grants receivable	2,575,262	4,242,201
Other accounts receivable	32,401	211,009
Contributions receivable	36,480	36,480
Prepaid expenses	251,265	203,625
Total current assets	<u>7,906,788</u>	<u>7,841,384</u>
Noncurrent assets		
Contributions receivable, net of current portion	328,320	364,800
Property and equipment, net	80,443	24,574
Lease right-of-use assets	1,228,958	1,237,635
Deposits	54,224	50,149
Total noncurrent assets	<u>1,691,945</u>	<u>1,677,158</u>
Total assets	<u>\$ 9,598,733</u>	<u>\$ 9,518,542</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 145,586	\$ 2,214,252
Accrued expenses	573,978	777,455
Refundable advances	2,156,574	1,024,767
CDSS reserve	83,484	85,985
Lease liability, current	380,895	454,780
Total current liabilities	<u>3,340,517</u>	<u>4,557,239</u>
Long-term liabilities		
Lease liability, net of current portion	897,946	831,480
Contract advance	1,400,000	1,400,000
Total long-term liabilities	<u>2,297,946</u>	<u>2,231,480</u>
Total liabilities	<u>5,638,463</u>	<u>6,788,719</u>
Net assets		
Without donor restrictions	3,595,470	2,287,103
With donor restrictions	364,800	442,720
Total net assets	<u>3,960,270</u>	<u>2,729,823</u>
Total liabilities and net assets	<u>\$ 9,598,733</u>	<u>\$ 9,518,542</u>

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

Hively  
Statement of Activities  
For the Year Ended June 30, 2024  
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Support and revenue				
Contract revenue	\$ 47,684,708	\$ -	\$ 47,684,708	\$ 34,712,688
Parent fees	15,371	-	15,371	-
Contributions	89,176	-	89,176	55,800
In-kind contributions	27,500	-	27,500	58,400
Program service fees	36,690	-	36,690	32,675
Interest income	41,347	-	41,347	11,265
Other income	83,475	-	83,475	28,792
Net assets released from restriction	77,920	(77,920)	-	-
Total support and revenue	<u>48,056,187</u>	<u>(77,920)</u>	<u>47,978,267</u>	<u>34,899,620</u>
Functional expenses				
Program services				
Child care subsidies	42,909,849	-	42,909,849	28,746,751
Resource and referral	395,557	-	395,557	355,007
General and others	723,164	-	723,164	3,530,518
Mental health	546,280	-	546,280	473,932
Total program services	<u>44,574,850</u>	<u>-</u>	<u>44,574,850</u>	<u>33,106,208</u>
Support services				
Management and general	2,172,970	-	2,172,970	1,798,481
Total support services	<u>2,172,970</u>	<u>-</u>	<u>2,172,970</u>	<u>1,798,481</u>
Total functional expenses	<u>46,747,820</u>	<u>-</u>	<u>46,747,820</u>	<u>34,904,689</u>
Change in net assets	1,308,367	(77,920)	1,230,447	(5,069)
Net assets, beginning of year	<u>2,287,103</u>	<u>442,720</u>	<u>2,729,823</u>	<u>2,734,892</u>
Net assets, end of year	<u>\$ 3,595,470</u>	<u>\$ 364,800</u>	<u>\$ 3,960,270</u>	<u>\$ 2,729,823</u>

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

Hively  
Statement of Functional Expenses  
For the Year Ended June 30, 2024  
(With Comparative Totals for 2023)

	Program Services						2024	2023
	Child Care Subsidies	Resource and Referral	General and Others	Mental Health	Total Program Services	Management and General	Total	Total
Personnel expenses								
Salaries and wages	\$ 2,817,820	\$ 167,388	\$ 184,530	\$ 347,685	\$ 3,517,423	\$ 1,156,782	\$ 4,674,205	\$ 3,307,993
Payroll taxes	209,078	12,458	14,600	26,119	262,255	76,393	338,648	252,006
Employee benefits	648,696	27,021	38,916	53,002	767,635	188,035	955,670	610,227
Total personnel expenses	3,675,594	206,867	238,046	426,806	4,547,313	1,421,210	5,968,523	4,170,226
Provider payments	38,080,408	-	-	-	38,080,408	-	38,080,408	28,193,215
Supplies	222,416	21,407	405,500	18,213	667,536	192,527	860,063	698,682
Rent	304,346	99,720	-	20,443	424,509	173,032	597,541	658,994
Professional and contract services	425,131	19,590	5,715	48,903	499,339	295,539	794,878	738,071
Repairs and maintenance	67,600	12,690	280	16,329	96,899	2,642	99,541	76,574
Staff development and training	11,836	11,669	8,072	10,156	41,733	26,197	67,930	74,261
Other program expenses	39,649	6,663	2,959	666	49,937	1,883	51,820	47,917
Other operating expenses	82,869	16,951	35,092	4,764	139,676	50,649	190,325	176,264
In-kind expenses	-	-	27,500	-	27,500	-	27,500	58,400
Depreciation and amortization	-	-	-	-	-	9,291	9,291	12,085
	<u>\$ 42,909,849</u>	<u>\$ 395,557</u>	<u>\$ 723,164</u>	<u>\$ 546,280</u>	<u>\$ 44,574,850</u>	<u>\$ 2,172,970</u>	<u>\$ 46,747,820</u>	<u>\$ 34,904,689</u>

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

Hively  
Statement of Cash Flows  
For the Year Ended June 30, 2024  
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 1,230,447	\$ (5,069)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	9,291	12,085
Amortization of right-of-use assets	8,677	525,054
Changes in operating assets and liabilities		
Contributions and grants receivable	1,703,419	(2,372,902)
Other accounts receivable	178,608	(165,197)
Prepaid expenses	(47,640)	(68,410)
Deposits	(4,075)	-
Accounts payable	(2,068,666)	(121,301)
Accrued expenses	(203,477)	407,747
Refundable advances	1,131,807	(182,946)
CDSS reserve	(2,501)	3,235
Lease liability	(7,419)	(476,429)
Deferred rent	-	(46,675)
Net cash provided by (used in) operating activities	<u>1,928,471</u>	<u>(2,490,808)</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(65,160)</u>	<u>(16,344)</u>
Net cash used in investing activities	<u>(65,160)</u>	<u>(16,344)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	1,863,311	(2,507,152)
Cash, cash equivalents and restricted cash, beginning of year	<u>3,148,069</u>	<u>5,655,221</u>
Cash, cash equivalents and restricted cash, end of year	<u><u>\$ 5,011,380</u></u>	<u><u>\$ 3,148,069</u></u>
Cash, cash equivalents and restricted cash consisted of the following:		
Cash and cash equivalents	\$ 4,927,896	\$ 3,061,984
Restricted cash	<u>83,484</u>	<u>86,085</u>
	<u><u>\$ 5,011,380</u></u>	<u><u>\$ 3,148,069</u></u>

Supplemental schedule of noncash investing and financing activities

Operating lease right-of-use assets obtained in exchange for lease liabilities	\$ -	\$ 1,762,689
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The accompanying notes are an integral part of these financial statements.

Hively  
Notes to Financial Statements  
June 30, 2024

1. NATURE OF OPERATIONS

Hively (the "Agency") is a nonprofit public benefit corporation established in 1976 under the laws of California. The Agency was originally incorporated as Freis and Miller Educational Child Care Programs, Inc. In June 2019, the Agency changed its name from Child Care Links to Hively. The Agency receives primarily all support from government agencies. Hively offers the following services to residents of Alameda County:

- A coordinating agency for services that strengthen and support children and their families.
- An advocate for quality child care.
- A consultant to government and business to plan child care programs.

The Agency has the following programs:

- *Child Care Subsidies* - These programs provide child care subsidies for parents who qualify for services under terms of Agency agreements with the California Department of Social Services ("CDSS") and Alameda County Social Services Agency California Work Opportunity Responsibility to Kids Program ("CalWORKs"). The Agency determines program eligibility, provides support services, collects parent fees and processes payments to child care providers. The CalWORKs program provides child care subsidies to employed parents and/or parents enrolled in job training programs whose eligibility may be determined by the related public agency. The CDSS programs provide child care subsidies to low-income parents who are employed, looking for work or pursuing educational goals.
- *Resource and Referral* - These programs provide child care referrals, information and assistance on choosing child care, and access to community resources for parents/guardians. Technical assistance and free professional development opportunities are available for child care providers on topics such as, social-emotional development, health and safety, curriculum and environment planning and inclusion.

Support for these programs are provided through contracts with CDSS, Alameda County First Five Commission, private sources, and the cities of Pleasanton and Dublin. The city contracts and First 5 Alameda County funds the development and documentation of child care data and training for local Child Care Providers and parents/guardians.

- *Mental Health Care Programs* - The Agency offers a variety of mental health care services and supports, including individual, family and group therapy; parent education and support groups; trauma-informed care training for mental health professionals, child care providers and other educators; and, family strengthening resources.

Hively  
Notes to Financial Statements  
June 30, 2024

1. NATURE OF OPERATIONS (continued)

- *General and other programs* - The Agency offers various other programs that promote development of healthy, happy children and strong, well-resourced families. The Agency provides training, technical assistance and support to child care providers including assistance for paying licensing related fees, support to address barriers faced by children with special needs and assisting child care sites improve their quality in the areas of health and safety, learning opportunities for children, program structure, and relationships with children, families and staff. In addition, the Agency actively seeks support and grants to support the operation of a community closet; making gently used clothing and household goods available to needy families, as well as a diaper pantry that distributes approximately 5,000 diapers a week to underserved families in Alameda County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of the Agency have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to non-profit organizations. Accordingly, net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets and changes therein are classified as follows:

- *Net assets without donor restrictions* - net assets available for use in general operations and not subject to donor-imposed stipulations.
- *Net assets with donor restrictions* - net assets subject to donor-imposed stipulations that may or will be met by the actions of the Agency and/or the passage of time and those net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the Agency.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purposes has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Hively  
Notes to Financial Statements  
June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC"), *Financial Instruments - Credit Losses* ("ASC 326"). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

The Agency adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements.

Cash and cash equivalents

The Agency considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2024, the Agency did not have any cash equivalents. The Agency places its cash and temporary investments with high credit quality institutions. Periodically, such investments may be in excess of federally insured limits.

Restricted cash

Restricted cash as of June 30, 2024 amounted to \$83,484 and mainly consists of those funds held in reserve until they are either appropriately spent on a child development program or returned to the California Department of Social Services.

Receivables

Grants and other accounts receivables represent billed and uncollected service revenues provided under government and private company contracts. Receivables are stated at the amount management expects to collect from outstanding balances. Based on historical write-offs, overall economic conditions, the current aging status of its receivables, and management's assessment of current conditions and reasonable and supportable expectation of future conditions, the Agency establishes an allowance for credit losses at a level considered adequate to cover anticipated credit losses on outstanding receivables. At June 30, 2024, there was no allowance for credit losses as management anticipates collection of all outstanding receivables.



Hively  
Notes to Financial Statements  
June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment purchased by the Agency are recorded at cost. Contributions of property and equipment are recorded at their estimated fair value. Property and equipment purchased in connection with certain restricted grant funds are expensed during the grant period, as required by the funding terms and conditions. The Agency capitalizes all acquisitions of property and equipment with a cost or value in excess of \$5,000 and an estimated useful life in excess of one year. Depreciation and amortization is provided on a straight-line basis over the lesser of the estimated useful lives of the respective assets, ranging from three to five years, or their applicable lease term.

The Agency reviews long-lived tangible assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable. Impairment is recognized if the fair value of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value. There were no impairments at June 30, 2024.

Leases

The Agency leases office spaces and equipment under operating leases. The Agency determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets and lease liabilities on the statement of financial position.

ROU assets represent the Agency's right to use an underlying asset for the lease term and lease liabilities represent the Agency's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Agency's lease does not provide an implicit rate, the Agency uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Agency has elected not to recognize right-of-use assets and lease liabilities for short-term leases and instead records them in a manner similar to operating leases under legacy leasing guidelines. A short-term lease is one with a maximum lease term of 12 months or fewer and does not include a purchase option that the lessee is reasonably certain to exercise. The Agency does not have any short-term leases.

Accrued vacation

Accrued vacation represents vacation earned, but not taken as of June 30, 2024, and is included in accrued expenses in the accompanying statement of financial position. The accrued vacation balance as of June 30, 2024 was \$223,982.

Hively  
Notes to Financial Statements  
June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract advance

The Agency recognizes advance payments from its contracts as a contract advance. The contract advance balance of \$1,400,000 at June 30, 2024 represents an advance payment of \$1,400,000 received in July 2019 from a government funding agency to provide working funds. The funds are to be returned to the funding agency not later than 51 days after the end of the 36-month contract term ending June 30, 2022. During 2024, the contract was extended through June 30, 2025.

Revenue recognition

The Agency receives its support from government grants and contracts administered through the U.S. Department of Health and Human Services, California Department of Social Services, Child Development Division, and the County of Alameda, and from donor contributions, parent fees, and other income.

Contributions and promises to give are reported as net assets without donor restrictions or net assets with donor restrictions. Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the barrier has been overcome and right of release/right of return no longer exists. Contributions that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and current aging of contributions receivable. Contributions receivable at June 30, 2024 amounted to \$364,800 and consists of contributed use of office space. Management did not consider an allowance for doubtful contributions to be necessary at June 30, 2024.

A portion of the Agency's revenue is derived from cost-reimbursable contracts from governmental agencies, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. The revenue generated from these contracts meets the criteria to be classified as conditional contributions as they contain barriers related to the incurrence of qualifying expenditures and a right of return or release. Amounts received are recognized as revenues when the Agency has incurred expenditures in compliance with specific contract or grant provisions. The Agency has elected a simultaneous release option to accounts for these grants. Therefore, they are recorded as government grants without donor restriction upon satisfaction of the barriers. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. Refundable advances amounted to \$2,156,574 at June 30, 2024. In addition, the Agency has been awarded cost-reimbursable grants of approximately \$15,162,000 that have not been recognized at June 30, 2024 because qualifying expenditures have not yet been incurred.

Hively  
Notes to Financial Statements  
June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenues from parent fees and other income are recognized as services are delivered and at the amounts the Agency expects to be entitled for the delivery of those services.

Advertising costs

The Agency's policy is to expense advertising costs as the costs are incurred. Advertising costs for the year ended June 30, 2024 totaled \$37,329.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Direct identification of specific expenses is the Agency's preferred method of charging expenses to various functions. The Agency has a number of expenses which relate to more than one program or supporting activity, or to a combination of programs and supporting activities. Expenses are allocated by management among programs and supporting services based on salary expense, staff time, square footage, direct charges or actual children served by program.

Income tax status

The Agency is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Continuance of such exemption is subject to compliance with regulations and review of the activities by taxing authorities. The Agency is not aware of any transactions that would affect its tax-exempt status.

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

The Agency follows the accounting guidance for uncertain tax positions. Management determined that there are no uncertain positions as of June 30, 2024.

Hively  
Notes to Financial Statements  
June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual events and results could differ from those assumptions and estimates.

Use of estimates include, but are not limited to, accounting for allowances for doubtful accounts, depreciation and amortization expenses, and functional allocation of expenses.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Subsequent events

The Agency has evaluated subsequent events through December 11, 2024, the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Agency's financial statements.

3. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

Office equipment	\$ 196,527
Furniture and fixtures	112,401
Leasehold improvements	63,266
Software	59,780
	<hr/> 431,974
Accumulated depreciation and amortization	<hr/> (351,531)
	<hr/> <hr/> \$ 80,443

Federal and state grantors retain a reversionary interest in assets purchased with governmental grant or contract funds. The title to such assets vests in the Agency only for the period of time during which the Agency has a contract with these entities.

Depreciation and amortization expense for the year ended June 30, 2024 was \$9,291.

Hively  
Notes to Financial Statements  
June 30, 2024

4. CDSS RESERVE

Child development contractors with the California Department of Social Services ("CDSS") are allowed to maintain a reserve account from earned but unexpended child development contract funds. The funds can be expended only by direct service child development programs that are funded under contract with CDSS.

In accordance with the stipulations of the Education Code, the Agency maintains its reserve accounts in interest-bearing funds, and all interest earned is recorded in the appropriate reserve funds. Upon termination of all child development contracts between the Agency and CDSS, reserve fund balances must be returned to CDSS.

The reserve amounts accrued at June 30, 2024 for the Alternative Payment and Resource and Referral programs were \$77,080 and \$6,404, respectively.

5. LEASES

The Agency has entered into operating leases for property and equipment. The leases have terms expiring through 2034 and monthly lease payments ranging from \$100 to \$32,646.

Additional information related to leases is as follows:

Cash flows from operating leases	\$ 182,795
Operating lease cost	\$ 597,541
Weighted average discount rate	4.63 %
Weighted average remaining lease term	3.25 years

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending June 30,</u>	
2025	\$ 431,657
2026	358,409
2027	368,455
2028	195,977
2029	100
Thereafter	<u>500</u>
	1,355,098
Less: imputed interest	<u>(76,257)</u>
	<u><u>\$ 1,278,841</u></u>

Hively  
Notes to Financial Statements  
June 30, 2024

6. COMMITMENTS AND CONTINGENCIES

The Agency has determined that it owes FICA payroll taxes for bonuses that were paid during prior years. The Agency has accrued approximately \$118,000 for this liability as of June 30, 2024. The estimate of the accrued FICA payroll taxes does not include any potential penalties as it is uncertain as this time whether any penalties will be levied. Actual settlement amounts may differ from the amount accrued.

7. PENSION PLAN

The Agency sponsors a Simplified Employee Pension Plan (the "Plan"). This defined contribution plan provides for retirement benefits based on the actual value of contributions at the time of retirement. Contributions are discretionary, but when made must be given to all eligible employees at the same percentage of total compensation for the month. During the year ended June 30, 2024, the Agency contributed \$230,115 to the Plan.

8. COST ALLOCATION PLAN

The Agency allocates all costs based on a method which best represents the benefits received and/or costs expensed. Accordingly, the Agency uses several standard methods of expense allocation:

Direct Cost Pool

- *Direct Charge* - Not a shared cost. All actual costs are directly identified with and charged to the program.
- *Staff Time* - Shared cost. Actual costs are allocated to each program based upon the total actual staff time spent on each program.
- *Square Footage* - Shared cost. Actual costs are allocated based upon the percentage of total actual square footage used by each program.
- *Number Served* - Shared cost. Actual costs are allocated to each program based upon the percentage of total actual children served by the program.

Alternative Payment Program

Shared costs for the Alternative Payment Program are allocated using the "Staff Time" method of allocation. Actual time spent in the individual contracts is used to allocate each month's shared expenditures such as salaries, shared supplies, and other operating expenses.

Resource and Referral Program

Shared costs for this Program are allocated using the "Staff Time" method of allocation.

Hively  
Notes to Financial Statements  
June 30, 2024

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

In-kind lease	\$ 364,800
	<u>\$ 364,800</u>

Net assets with donor restrictions released from restriction during the year were as follows:

In-kind lease	\$ 36,480
Family Services of San Leandro	<u>41,440</u>
	<u>\$ 77,920</u>

10. IN-KIND REVENUE AND SUPPORT

The Agency recognizes in-kind revenue as contributions as their estimated fair value on the date of receipt. The Agency's in-kind contributions are primarily comprised of contributed diapers and other goods. The valuation of the in-kind contributions is based on the market value for the contributed goods. The Agency recognized in-kind contributions of \$27,500 during the year ended June 30, 2024.

11. LIQUIDITY AND FUNDS AVAILABLE

As part of the Agency's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To meet liquidity needs, the Agency has cash and cash equivalents, grants receivable and other accounts receivable available.

The following is a quantitative disclosure which describes assets that are available within one year of June 30, 2024 to fund general expenditures and other obligations when they become due:

Financial assets	
Cash and cash equivalents	\$ 4,927,896
Grants receivable	2,575,262
Other accounts receivable	32,401
Contributions receivable	<u>364,800</u>
	<u>7,900,359</u>
Less: amounts unavailable for general expenditures within one year	
Net assets with donor restrictions	(364,800)
Deposit related to the CalWORKs contract	<u>(1,400,000)</u>
	<u>(1,764,800)</u>
	<u>\$ 6,135,559</u>

Hively  
Notes to Financial Statements  
June 30, 2024

12. ASSET PURCHASE AGREEMENT

The Agency entered into an Asset Purchase Agreement (the "Agreement") with Family Services of San Leandro ("FSSL"), a California nonprofit corporation, with an effective date of July 1, 2019. As part of the Agreement, the Agency acquired certain assets and assumed certain liabilities of FSSL. The net assets acquired amounted to \$391,757. Pursuant to the Agreement, the assets acquired from FSSL must be used only for the purpose of conducting psychotherapy for families, individuals and couples.

As part of the Agreement, an office lease between FSSL and the City of San Leandro (the "City") was assigned to and assumed by the Agency. The lease calls for annual lease payments of \$100 and expires on June 30, 2034. The Agency determined the fair value of the lease to be \$36,480 per annum and recognized an in-kind contribution of \$547,200 for the remaining term of the lease.



## SINGLE AUDIT REPORTS AND SCHEDULES



INDEPENDENT AUDITOR'S 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  
Hively  
Pleasanton, 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 Hively (a California nonprofit corporation) (the "Agency"), which comprise the statement of financial position as of June 30, 2024, 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, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's 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 Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Armanino LLP". The signature is fluid and cursive, with the letters "Armanino" and "LLP" clearly distinguishable.

Armanino<sup>LLP</sup>  
San Francisco, California

December 11, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE

To the Board of Directors  
Hively  
Pleasanton, California

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

**Opinion on Each Major Federal Program**

We have audited Hively (a California nonprofit corporation) (the "Agency")'s 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 the Agency's major federal programs for the year ended June 30, 2024. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency 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, 2024.

**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 the Agency 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 the Agency'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 the Agency's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency'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 the Agency'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 the Agency'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 the Agency'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 the Agency'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.

## **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 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 Auditor's 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 weakness 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.

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

Armanino<sup>LLP</sup>  
San Francisco, California

December 11, 2024

Hively  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
<u>Expenditures of Federal Awards</u>			
U.S. Department of Health and Human Services			
CCDF Cluster			
Child Care and Development Block Grant			
Pass-through program from the State of California:			
Child Care and Development Block Grant, Stage 2	93.575	C2AP-3002	\$ 271,542
Child Care and Development Fund, Resource and Referral Program	93.575	CRRP-3002	31,592
Child Care Initiative Project	93.575	CCIP-3001	51,133
Child Care and Development Block Grant Health and Safety Training	93.575	CHST-3001	9,350
Stipend (AB 179 & SB140) - ARPA	93.575	CCB-23-08	1,689,924
Total Child Care and Development Block Grant			<u>2,053,541</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund			
Pass-through from the State of California			
Child Care and Development Fund Alternative Payment	93.596	CAPP-3003	6,468,328
Child Care and Development Fund Alternative Payment	93.596	CAPP-2003	4,575,605
Child Care and Development Fund, State 3	93.596	C3AP-3002	1,253,194
			<u>12,297,127</u>
Pass-through program from the County of Alameda:			
Childcare Development Program services	93.596	25203/CAPP-3000	407,588
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			<u>12,704,715</u>
Total CCDF Cluster			<u>14,758,256</u>
Temporary Assistance for Needy Families			
Pass-through from the State of California:			
Child Care and Development Fund Alternative Payment	93.558	18418	7,331,888
Pass-through program from:			
Total Temporary Assistance for Needy Families			<u>7,331,888</u>
Child Care Allowance Program	93.658	900624	223,816
Total Foster Care _Title IV-E			<u>223,816</u>
Total U.S. Department of Health and Human Services			<u>22,313,960</u>
Total Expenditures of Federal Awards			<u>22,313,960</u>

The accompanying notes to the Schedule of Expenditures of Federal and State Awards  
are an integral part of this schedule.

Hively  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
<u>Expenditures of State Awards</u>			
State of California			
California Department of Social Services - Child Development			
Alternative payment, State portion		C3AP-3002	1,799,523
Contingency funding, Stage 2		C2AP-3002	1,371,121
Resource and Referral - general, State portion		CRRP-3002	324,717
Child Care Initiative project		CCIP-3001	2,503
Alternative payment		CAPP-3003	5,025,108
Alternative payment		CAPP-2003	2,948,345
CalWORKS Stage 1		18418	7,331,888
Stipend (AB 179 & SB140)		CCB-23-08	1,055,775
Cost of Care (SB 140)		CCB 23-37	3,208,548
			<u>23,067,528</u>
Pass-through from the County of Alameda:			
		25203/CAPP-	
Alternative payment		3000	407,588
Inclusive Early Education Expansion Program Grant (IEEEP)		B23-00219	44,651
UPK Mixed Delivery			15,950
			<u>468,189</u>
Pass-through from First 5 Alameda County:			
		PS-ECE-2324-	
First 5 Quality		222	105,686
		PS-ECE-2324-	
First 5 Family, Friend and Neighbor (FFN)		236	76,351
			<u>182,037</u>
Total State of California			<u>23,717,754</u>
Total Expenditures of State Awards			<u>23,717,754</u>
Total Expenditures of Federal and State Awards			<u>\$ 46,031,714</u>

The accompanying notes to the Schedule of Expenditures of Federal and State Awards  
are an integral part of this schedule.



Hively  
Notes to Schedule of Expenditures of Federal and State Awards  
June 30, 2024

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Hively (a California nonprofit corporation) (the "Agency") under programs of the federal government and State of California for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the California Department of Social Services. Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. INDIRECT COST RATE

The Agency uses the 10% de minimis indirect cost rate for certain federal awards, unless a higher indirect cost rate is allowed, in which case the Agency applies indirect costs in accordance with the specific terms of its federal award agreements.

Hively  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
CCDF Cluster	
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Hively  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Hively  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2024

There were no prior year findings.

SUPPORTING SCHEDULES REQUIRED BY CALIFORNIA DEPARTMENT OF SOCIAL  
SERVICES

Hively  
General Information  
For the Year Ended June 30, 2024

Center Name	Hively
Contract Numbers	CAPP-2003 CAPP-3003 C2AP-3002 C3AP-3002 CHST-3001 CRRP-3002 CCIP-3001
Type of Agency	California Nonprofit Public Benefit Corporation
Address	Agency: 7901 Stoneridge Drive, Suite 150 Pleasanton, CA 94588
Name of Executive Director	Mary Hekl
Audit Period	For the year ended June 30, 2024
Number of Operations Days of Agency	246
Scheduled Daily Hours of Operation	Varies

Hively  
Operating Programs - Schedule of Activities and Changes in Net Assets  
For the Year Ended June 30, 2024

	CDSS Programs	County of Alameda	CDSS Resource and Referral Programs	Other Programs	Mental Health	General Programs	Total
Support and revenue							
Contract revenue	\$23,692,855	\$15,693,978	\$ 707,008	\$ 7,026,888	\$ 563,979	\$ -	\$ 47,684,708
Parent fees	15,371	-	-	-	-	-	15,371
Contributions	-	-	-	-	-	89,176	89,176
In-kind revenue	-	-	-	-	-	27,500	27,500
Program service fees	-	-	-	-	36,690	-	36,690
Interest	4,539	2,199	95	-	58	34,456	41,347
Other revenue	-	-	1,625	54,900	-	26,950	83,475
Total support and revenue	<u>23,712,765</u>	<u>15,696,177</u>	<u>708,728</u>	<u>7,081,788</u>	<u>600,727</u>	<u>178,082</u>	<u>47,978,267</u>
Expenditures							
Provider payments	19,229,105	13,672,042	-	5,179,262	-	-	38,080,409
Certified salaries	1,826,394	839,564	351,919	151,860	347,686	-	3,517,423
Classified salaries	760,885	199,359	18,528	125,397	52,615	-	1,156,784
Employee benefits	706,473	318,199	97,206	81,282	91,156	-	1,294,316
Books and supplies	294,519	121,201	42,434	385,464	21,175	1,867	866,660
Service and other operating expense	856,433	552,808	195,784	44,516	141,780	4,116	1,795,437
In kind expenses	-	-	-	-	-	27,500	27,500
Depreciation	-	-	-	-	-	9,291	9,291
Total expenditures	<u>23,673,809</u>	<u>15,703,173</u>	<u>705,871</u>	<u>5,967,781</u>	<u>654,412</u>	<u>42,774</u>	<u>46,747,820</u>
Changes in net assets	38,956	(6,996)	2,857	1,114,007	(53,685)	135,308	1,230,447
Net assets, beginning of year	<u>350,029</u>	<u>683,340</u>	<u>77,190</u>	<u>137,482</u>	<u>444,329</u>	<u>1,037,453</u>	<u>2,729,823</u>
Net assets, end of year	<u>\$ 388,985</u>	<u>\$ 676,344</u>	<u>\$ 80,047</u>	<u>\$ 1,251,489</u>	<u>\$ 390,644</u>	<u>\$ 1,172,761</u>	<u>\$ 3,960,270</u>

Hively  
Combining Schedule of Activities - County of Alameda Programs  
For the Year Ended June 30, 2024

	Alameda County <u>CAPP-3000</u>	Alameda County <u>FCCCAP</u>	Alameda County CDSS <u>Stage 1</u>	Combining Schedule of County of Alameda Programs
Support and revenue				
State of California	\$ 815,066	\$ -	\$ -	\$ 815,066
County of Alameda	-	223,816	14,655,096	14,878,912
Interest income	<u>110</u>	<u>-</u>	<u>2,089</u>	<u>2,199</u>
Total support and revenue	<u>815,176</u>	<u>223,816</u>	<u>14,657,185</u>	<u>15,696,177</u>
Expenditures				
Provider payments	661,915	110,018	12,900,109	13,672,042
Certified salaries	60,020	66,155	713,390	839,565
Classified salaries	35,347	-	164,012	199,359
Employee benefits	27,280	20,390	270,529	318,199
Books and supplies	7,578	2,776	110,846	121,200
Service and other operating expense	<u>23,051</u>	<u>24,482</u>	<u>505,275</u>	<u>552,808</u>
Total expenditures	<u>815,191</u>	<u>223,821</u>	<u>14,664,161</u>	<u>15,703,173</u>
Change in net assets	<u>\$ (15)</u>	<u>\$ (5)</u>	<u>\$ (6,976)</u>	<u>\$ (6,996)</u>



Hively  
Combining Schedule of Activities - Alternative Payment Program  
For the Year Ended June 30, 2024

	General CAPP-2003	General CAPP-3003	CalWORKs Stage 2 C2AP-3003	CalWORKs Stage 3 Timing Out C3AP-3003	Total CDSS Alternative Payment
Support and revenue					
State of California	\$ 7,519,796	\$ 11,481,335	\$ 1,641,943	\$ 3,049,782	\$ 23,692,856
Interest income	2,140	1,111	457	831	4,539
Other income	<u>2,014</u>	<u>10,990</u>	<u>263</u>	<u>2,104</u>	<u>15,371</u>
Total support and revenue	<u>7,523,950</u>	<u>11,493,436</u>	<u>1,642,663</u>	<u>3,052,717</u>	<u>23,712,766</u>
Expenditures					
Provider payments	6,015,132	9,407,911	1,336,013	2,470,048	19,229,104
Certified salaries	682,633	789,917	115,663	238,180	1,826,393
Classified salaries	217,718	392,254	56,158	94,754	760,884
Employee benefits	201,490	362,329	48,911	93,743	706,473
Books and supplies	80,237	157,173	19,509	37,599	294,518
Service and other operating expenses	<u>326,740</u>	<u>350,710</u>	<u>64,469</u>	<u>114,514</u>	<u>856,433</u>
Total expenditures	<u>7,523,950</u>	<u>11,460,294</u>	<u>1,640,723</u>	<u>3,048,838</u>	<u>23,673,805</u>
Changes in net assets	-	33,142	1,940	3,879	38,961
Audit adjustment					
Other approved capital outlay	-	33,575	1,975	3,950	39,500
Provider payments booked in July 2024	<u>-</u>	<u>1,716,875</u>	<u>111,127</u>	<u>289,473</u>	<u>2,117,475</u>
Total audit adjustment	<u>-</u>	<u>1,750,450</u>	<u>113,102</u>	<u>293,423</u>	<u>2,156,975</u>
Billed to contract	<u>\$ 7,523,950</u>	<u>\$ 13,210,744</u>	<u>\$ 1,753,825</u>	<u>\$ 3,342,261</u>	<u>\$ 25,830,780</u>

The audit adjustment reflects the recognition of attendance sheets for childcare services provided during the contract term and paid under the terms of the contract, with expense for the same deferred for recording in the subsequent month and fiscal year, when Hively received information and supporting documents regarding the expense - in compliance with GAAP cost and revenue recognition principles.

Hively  
Combining Schedule of Activities - Resource and Referral Program  
For the Year Ended June 30, 2024

	Resource and Referral CRRP-3002	CCDBG Child Care Initiative Project CCIP- 3001	CCDBG Health and Safety CHST- 3001	Total CDSS Resource and Referral
Support and revenue				
State of California	\$ 357,718	\$ 53,636	\$ 9,350	\$ 420,704
Interest income	90	5	-	95
Other income	<u>1,625</u>	<u>-</u>	<u>-</u>	<u>1,625</u>
Total support and revenue	<u>359,433</u>	<u>53,641</u>	<u>9,350</u>	<u>422,424</u>
Expenditures				
Certified salaries	123,613	41,038	2,737	167,388
Classified salaries	18,528	-	-	18,528
Employee benefits	34,891	8,077	721	43,689
Books and supplies	21,406	1,077	-	22,483
Service and other operating expense	<u>158,126</u>	<u>3,449</u>	<u>5,892</u>	<u>167,467</u>
Total expenditures	<u>356,564</u>	<u>53,641</u>	<u>9,350</u>	<u>419,555</u>
Change in net assets	<u><u>\$ 2,869</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,869</u></u>

Hively  
Combining Schedule of Administrative Costs - CDSS Programs  
For the Year Ended June 30, 2024

	General Program <u>CAPP-2003</u>	General Program <u>CAPP-3003</u>	CalWORKs Stage 2 <u>C2AP-3003</u>	CalWORKs Stage 3 Timing Out <u>C3AP-3003</u>	Contract through Alameda County <u>CAPP-3000</u>	<u>Total</u>
Administrative costs						
Salaries and wages	\$ 217,718	\$ 392,254	\$ 56,158	\$ 94,754	\$ 35,347	\$ 796,231
Employee benefits	48,723	89,274	12,810	21,169	8,522	180,498
Books and supplies	39,263	76,910	10,555	18,586	4,027	149,341
Operating expenses	<u>150,768</u>	<u>154,613</u>	<u>35,821</u>	<u>56,910</u>	<u>12,350</u>	<u>410,462</u>
Total administrative costs	<u>\$ 456,472</u>	<u>\$ 713,051</u>	<u>\$ 115,344</u>	<u>\$ 191,419</u>	<u>\$ 60,246</u>	<u>\$ 1,536,532</u>

Hively  
Schedule of Claimed Equipment Expenditures  
For the Year Ended June 30, 2024

	<u>CAPP 3003</u>	<u>C2AP 3002</u>	<u>C3AP 3002</u>	<u>Total</u>
Capitalized Equipment Expensed on the AUD With Prior Written <u>Approval</u>				
Software	\$ <u>33,575</u>	\$ <u>1,975</u>	\$ <u>3,950</u>	\$ <u>39,500</u>
Capitalized Equipment Expensed on the AUD Without Prior <u>Written Approval</u>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 33,575</u></u>	<u><u>\$ 1,975</u></u>	<u><u>\$ 3,950</u></u>	<u><u>\$ 39,500</u></u>

Hively  
Schedule of Claimed Renovation and Repair Expenditures  
For the Year Ended June 30, 2024

Renovations and Repairs:

Capitalized R&R Project Under \$10,000

None \$ -

Capitalized R&R Project of \$10,000 or More with  
Prior Written Approval

None -

Capitalized R&R Project of \$10,000 or More without  
Prior Written Approval

None -

Total Renovations and Repairs \$ -

Hively  
Notes to Child Care Supplementary Information  
For the Year Ended June 30, 2024

1. INTEREST EXPENSE

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. No interest expense was claimed to a child development contract for the year ended June 30, 2024.

2. RELATED PARTY RENT

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. No related party rent expense was claimed to a child development contract for the year ended June 30, 2024.

3. BAD DEBT EXPENSE

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, 2024.

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

Fiscal Year Ending	June 30, 2024
Contract Number	CAPP2003
Vendor Code	01-0B388-00

Full Name of Contractor	Hively
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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		2,014		2,014
Interest Earned on Child Development Apportionment Payments	970	3,110		4,080
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)	970	5,124		6,094

Contract Number

CAPP2003

Full Name of Contractor **Hively****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	7,685,674	6,015,132		13,700,806
1000 Certificated Salaries	500,587	682,633		1,183,220
2000 Classified Salaries	174,337	217,718		392,055
3000 Employee Benefits	210,562	201,490		412,052
4000 Books and Supplies	136,749	80,237		216,986
5000 Services and Other Operating Expenses	375,179	326,740		701,919
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)				
<b>Total Reimbursable Expenses</b>	<b>9,083,088</b>	<b>7,523,950</b>		<b>16,607,038</b>
Total Administrative Cost (included in Section 2 above)	453,119	456,472		909,591
Days of Operation	246			246

Approved Indirect Cost Rate:

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



Contract Number

CAPP2003

Full Name of Contractor Hively

**Section 3 - Supplemental 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
Enhancement Funding				
Other:				
<b>Total Supplemental Revenue</b>				

**Section 4 - Supplemental 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				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
<b>Total Supplemental Expenses</b>				

Contract Number CAPP2003

Full Name of Contractor Hively

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		2,014		2,014
Interest Earned on Child Development Apportionment Payments	970	3,110		4,080
Direct Payments to Providers	7,685,674	6,015,132		13,700,806
Total Administrative Cost	453,119	456,472		909,591
Days of Operation	246			246
Total Reimbursable Expenses	9,083,088	7,523,950		16,607,038
Non-Reimbursable (State use only)	N/A	N/A		

Comments:

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

Fiscal Year Ending	June 30, 2024
Contract Number	CAPP3003
Vendor Code	01-0B388-00

Full Name of Contractor	Hively
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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		10,990		10,990
Interest Earned on Child Development Apportionment Payments		1,111		1,111
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		12,101		12,101

Contract Number

CAPP3003

Full Name of Contractor Hively

## 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		11,124,786	-1,716,875	9,407,911
1000 Certificated Salaries		789,917		789,917
2000 Classified Salaries		392,254		392,254
3000 Employee Benefits		362,329		362,329
4000 Books and Supplies		157,174		157,174
5000 Services and Other Operating Expenses		384,285	-33,575	350,710
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)			33,575	33,575
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
<b>Total Reimbursable Expenses</b>		<b>13,210,745</b>	<b>-1,716,875</b>	<b>11,493,870</b>
Total Administrative Cost (included in Section 2 above)		713,051		713,051
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number

CAPP3003

Full Name of Contractor Hively

**Section 3 - Supplemental 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
Enhancement Funding				
Other:				
<b>Total Supplemental Revenue</b>				

**Section 4 - Supplemental 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				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
<b>Total Supplemental Expenses</b>				

Contract Number

CAPP3003

Full Name of Contractor Hively

## 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		10,990		10,990
Interest Earned on Child Development Apportionment Payments		1,111		1,111
Direct Payments to Providers		11,124,786	-1,716,875	9,407,911
Total Administrative Cost		713,051		713,051
Days of Operation		246		246
Total Reimbursable Expenses		13,210,745	-1,716,875	11,493,870
Non-Reimbursable (State use only)	N/A	N/A		

Comments: The audit adjustment reflects the recognition of attendance sheets for childcare services provided during the contract term and paid under the terms of the contract, with expense for the same deferred for recording in the subsequent month and fiscal year, when Hively received information and supporting documents regarding the expense - in compliance with GAAP cost and revenue recognition principles.

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

Fiscal Year Ending	June 30, 2024
Contract Number	CAPP3000
Vendor Code	01-0B388-00

Full Name of Contractor Hively (Subcontractor of Alameda County)

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		110		110
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		110		110

Contract Number

CAPP3000

Full Name of Contractor **Hively (Subcontractor of Alameda County)****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		724,943	-63,028	661,915
1000 Certificated Salaries		60,020		60,020
2000 Classified Salaries		35,347		35,347
3000 Employee Benefits		27,280		27,280
4000 Books and Supplies		7,578		7,578
5000 Services and Other Operating Expenses		23,051		23,051
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)				
<b>Total Reimbursable Expenses</b>		<b>878,219</b>	<b>-63,028</b>	<b>815,191</b>
Total Administrative Cost (included in Section 2 above)				
Days of Operation				

Approved Indirect Cost Rate:

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



Contract Number

CAPP3000

Full Name of Contractor Hively (Subcontractor of Alameda County)

**Section 3 - Supplemental 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
Enhancement Funding				
Other:				
<b>Total Supplemental Revenue</b>				

**Section 4 - Supplemental 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				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
<b>Total Supplemental Expenses</b>				

Contract Number

CAPP3000

Full Name of Contractor **Hively (Subcontractor of Alameda County)****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		110		110
Direct Payments to Providers		724,943	-63,028	661,915
Total Administrative Cost				
Days of Operation				
Total Reimbursable Expenses		878,219	-63,028	815,191
Non-Reimbursable (State use only)	N/A	N/A		

Comments: The audit adjustment reflects the recognition of attendance sheets for childcare services provided during the contract term and paid under the terms of the contract, with expense for the same deferred for recording in the subsequent month and fiscal year, when Hively received information and supporting documents regarding the expense - in compliance with GAAP cost and revenue recognition principles.

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

Fiscal Year Ending	June 30, 2024
Contract Number	C2AP3002
Vendor Code	01-0B388-00

Full Name of Contractor	Hively
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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		263		263
Interest Earned on Child Development Apportionment Payments		457		457
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		720		720

Contract Number

C2AP3002

Full Name of Contractor **Hively****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		1,447,140	-111,127	1,336,013
1000 Certificated Salaries		115,663		115,663
2000 Classified Salaries		56,158		56,158
3000 Employee Benefits		48,911		48,911
4000 Books and Supplies		19,509		19,509
5000 Services and Other Operating Expenses		66,445	-1,975	64,470
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)			1,975	1,975
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
<b>Total Reimbursable Expenses</b>		<b>1,753,826</b>	<b>-111,127</b>	<b>1,642,699</b>
Total Administrative Cost (included in Section 2 above)		115,345		115,345
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number

C2AP3002

Full Name of Contractor Hively

**Section 3 - Supplemental 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
Enhancement Funding				
Other:				
<b>Total Supplemental Revenue</b>				

**Section 4 - Supplemental 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				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
<b>Total Supplemental Expenses</b>				

Contract Number

C2AP3002

Full Name of Contractor **Hively****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		263		263
Interest Earned on Child Development Apportionment Payments		457		457
Direct Payments to Providers		1,447,140	-111,127	1,336,013
Total Administrative Cost		115,345		115,345
Days of Operation		246		246
Total Reimbursable Expenses		1,753,826	-111,127	1,642,699
Non-Reimbursable (State use only)	N/A	N/A		

Comments: The audit adjustment reflects the recognition of attendance sheets for childcare services provided during the contract term and paid under the terms of the contract, with expense for the same deferred for recording in the subsequent month and fiscal year, when Hively received information and supporting documents regarding the expense - in compliance with GAAP cost and revenue recognition principles.

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

Fiscal Year Ending	June 30, 2024
Contract Number	C3AP3002
Vendor Code	01-0B388-00

Full Name of Contractor	Hively
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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		2,104		2,104
Interest Earned on Child Development Apportionment Payments		831		831
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		2,935		2,935

Contract Number

C3AP3002

Full Name of Contractor **Hively****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		2,759,521	-289,473	2,470,048
1000 Certificated Salaries		238,180		238,180
2000 Classified Salaries		94,754		94,754
3000 Employee Benefits		93,743		93,743
4000 Books and Supplies		37,600		37,600
5000 Services and Other Operating Expenses		118,464	-3,950	114,514
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)			3,950	3,950
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
<b>Total Reimbursable Expenses</b>		<b>3,342,262</b>	<b>-289,473</b>	<b>3,052,789</b>
Total Administrative Cost (included in Section 2 above)		191,419		191,419
Days of Operation		246		246

Approved Indirect Cost Rate:

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



Contract Number

C3AP3002

Full Name of Contractor Hively

**Section 3 - Supplemental 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
Enhancement Funding				
Other:				
<b>Total Supplemental Revenue</b>				

**Section 4 - Supplemental 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				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
<b>Total Supplemental Expenses</b>				

Contract Number

C3AP3002

Full Name of Contractor Hively

## 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		2,104		2,104
Interest Earned on Child Development Apportionment Payments		831		831
Direct Payments to Providers		2,759,521	-289,473	2,470,048
Total Administrative Cost		191,419		191,419
Days of Operation		246		246
Total Reimbursable Expenses		3,342,262	-289,473	3,052,789
Non-Reimbursable (State use only)	N/A	N/A		

Comments: The audit adjustment reflects the recognition of attendance sheets for childcare services provided during the contract term and paid under the terms of the contract, with expense for the same deferred for recording in the subsequent month and fiscal year, when Hively received information and supporting documents regarding the expense - in compliance with GAAP cost and revenue recognition principles.

Full Name of Contractor

Hively

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	90		90
Unrestricted Income - Other:	1,560	65	1,625
Total Revenue	1,650	65	1,715

Contract Number 

CRRP

Full Name of Contractor 

Hively

Section 2 - Reimbursable Expenses

	Column A Cumulative FY CDNFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	129,567		129,567
2000 Classified Salaries	18,528		18,528
3000 Employee Benefits	34,891		34,891
4000 Books and Supplies	28,316		28,316
5000 Services and Other Operating Expenses	145,263		145,263
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs			
Total Reimbursable Expenses	356,565		356,565

Approved Indirect Cost Rate:

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

Contract Number

CRRP

Full Name of Contractor

Hively

Section 3 - Supplemental Revenue

	Column A Cumulative FY CDNFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other:			
Other:			
Total Supplemental Revenue			

Section 4 - Supplemental Expenses

	Column A Cumulative FY CDNFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies			
5000 Services and Other Operating Expenses			
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
Total Supplemental Expenses			

Contract Number CRRP

Full Name of Contractor Hively

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	90		90
Total Reimbursable Expenses	356,565		356,565
Non-Reimbursable (State use only)	N/A	N/A	

Comments:

Full Name of Contractor

Hively

Section 1 - Revenue

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Match Requirement (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	5		5
Unrestricted Income - Match Requirement (CLPC only)			
Unrestricted Income - Other:			
Total Revenue	5		5

Contract Number

CCIP3001

Full Name of Contractor Hively

**Section 2 - Reimbursable Expenses**

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	41,043		41,043
2000 Classified Salaries			
3000 Employee Benefits	8,077		8,077
4000 Books and Supplies	1,077		1,077
5000 Services and Other Operating Expenses	3,444		3,444
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)			
<b>Total Reimbursable Expenses</b>	<b>53,641</b>		<b>53,641</b>
Total Administrative Cost (included in Section 2 above)			

Approved Indirect Cost Rate:

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



Contract Number

CCIP3001

Full Name of Contractor

Hively

Section 3 - Supplemental Revenue

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other:			
Other:			
Total Supplemental Revenue			

Section 4 - Supplemental Expenses

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies			
5000 Services and Other Operating Expenses			
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
Total Supplemental Expenses			

Contract Number **CCIP3001**

Full Name of Contractor **Hively**

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 (CLPC only)			
Unrestricted Income - Match Requirement			
Interest Earned on Child Development Apportionment Payments	5		5
Total Reimbursable Expenses	53,641		53,641
Total Administrative Cost			
Non-Reimbursable (State use only)	N/A	N/A	

Comments:

Full Name of Contractor

Hively

Section 1 - Revenue

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Match Requirement (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 (CLPC only)			
Unrestricted Income - Other:			
Total Revenue			

Contract Number

CHST3001

Full Name of Contractor Hively

**Section 2 - Reimbursable Expenses**

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	964		964
2000 Classified Salaries			
3000 Employee Benefits	254		254
4000 Books and Supplies			
5000 Services and Other Operating Expenses	8,132		8,132
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)			
<b>Total Reimbursable Expenses</b>	<b>9,350</b>		<b>9,350</b>
Total Administrative Cost (included in Section 2 above)			

Approved Indirect Cost Rate:

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

Contract Number

CHST3001

Full Name of Contractor Hively

**Section 3 - Supplemental Revenue**

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other:			
Other:			
<b>Total Supplemental Revenue</b>			

**Section 4 - Supplemental Expenses**

	Column A Cumulative FY CDNFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies			
5000 Services and Other Operating Expenses			
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
<b>Total Supplemental Expenses</b>			

Contract Number **CHST3001**

Full Name of Contractor **Hively**

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 (CLPC only)			
Unrestricted Income - Match Requirement			
Interest Earned on Child Development Apportionment Payments			
Total Reimbursable Expenses	9,350		9,350
Total Administrative Cost			
Non-Reimbursable (State use only)	N/A	N/A	

Comments:

**AUDITED RESERVE ACCOUNT  
ACTIVITY REPORT**

Fiscal Year End

June 30, 2024

Reserve Account Type

Alternative Payment

Vendor Code

01-0B388-00

Full Name of Contractor **Hively****Section 1 - Prior Year Reserve Account Activity**

1. Beginning Balance (2022–23 AUD 9530A Ending Balance)	76,965
2. Plus Transfers to Reserve Account:	Per 2022–23 Post-Audit CDNFS 9530
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
<b>Total Transferred from 2022–23 Contracts to Reserve</b>	<b>0</b>
3. Less Excess Reserve to be Billed	
<b>4. Ending Balance per 2022-23 Post-Audit CDNFS 9530</b>	<b>76,965</b>

**Section 2 - Current Year (2023–24) Reserve Account Activity**

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve:	115		115
6. Less Transfers to Contracts from Reserve:			
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
<b>Total Transferred to Contracts from Reserve Account</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7. Ending Balance on June 30, 2024</b>	<b>77,080</b>	<b>0</b>	<b>77,080</b>

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

# AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Fiscal Year End

June 30, 2024

Reserve Account Type

Resource &amp; Referral

Vendor Code

01-0B388-00

Full Name of Contractor **Hively**

## Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2022–23 AUD 9530A Ending Balance)	6,399
2. Plus Transfers to Reserve Account:	Per 2022–23 Post-Audit CDNFS 9530
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
<b>Total Transferred from 2022–23 Contracts to Reserve</b>	<b>0</b>
3. Less Excess Reserve to be Billed	
<b>4. Ending Balance per 2022-23 Post-Audit CDNFS 9530</b>	<b>6,399</b>

## Section 2 - Current Year (2023–24) Reserve Account Activity

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve:	5		5
6. Less Transfers to Contracts from Reserve:			
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
<b>Total Transferred to Contracts from Reserve Account</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7. Ending Balance on June 30, 2024</b>	<b>6,404</b>	<b>0</b>	<b>6,404</b>

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