

Hively

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

June 30, 2023
(With Comparative Totals for 2022)

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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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 FASB Topic 842, *Leases*. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited Hively's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 33 - 72 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 November 13, 2023, 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^{LLP}
San Francisco, California

November 13, 2023

Hively
Statement of Financial Position
June 30, 2023
(With Comparative Totals for 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,061,984	\$ 5,626,694
Restricted cash	86,085	28,527
Grants receivable	4,242,201	1,832,819
Other accounts receivable	211,009	45,812
Contributions receivable	36,480	36,480
Prepaid expenses	203,625	135,215
Total current assets	<u>7,841,384</u>	<u>7,705,547</u>
Noncurrent assets		
Contributions receivable, net of current portion	364,800	401,280
Property and equipment, net	24,574	20,315
Lease right-of-use assets	1,237,635	-
Deposits	50,149	50,149
Total noncurrent assets	<u>1,677,158</u>	<u>471,744</u>
Total assets	<u>\$ 9,518,542</u>	<u>\$ 8,177,291</u>

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

Hively
Statement of Financial Position
June 30, 2023
(With Comparative Totals for 2022)

	<u>2023</u>	<u>2022</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 2,214,252	\$ 2,335,553
Accrued expenses	777,455	369,708
Contract advances	1,024,767	1,207,713
CDSS reserve	85,985	82,750
Lease liability, current	454,780	-
Total current liabilities	<u>4,557,239</u>	<u>3,995,724</u>
Long-term liabilities		
Deferred rent	-	46,675
Lease liability, net of current portion	831,480	-
Contract advance	<u>1,400,000</u>	<u>1,400,000</u>
Total long-term liabilities	<u>2,231,480</u>	<u>1,446,675</u>
Total liabilities	<u>6,788,719</u>	<u>5,442,399</u>
Net assets		
Without donor restrictions	2,287,103	2,004,080
With donor restrictions	<u>442,720</u>	<u>730,812</u>
Total net assets	<u>2,729,823</u>	<u>2,734,892</u>
Total liabilities and net assets	<u>\$ 9,518,542</u>	<u>\$ 8,177,291</u>

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

Hively
Statement of Activities
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Support and revenue				
Contract revenue	\$ 34,712,688	\$ -	\$ 34,712,688	\$ 24,856,005
Parent fees	-	-	-	813
Contributions	55,800	-	55,800	265,141
In-kind contributions	58,400	-	58,400	58,136
Program service fees	32,675	-	32,675	31,354
Interest income	11,265	-	11,265	9,537
Other income	28,792	-	28,792	24,583
Net assets released from restriction	<u>288,092</u>	<u>(288,092)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>35,187,712</u>	<u>(288,092)</u>	<u>34,899,620</u>	<u>25,245,569</u>
Functional expenses				
Program services				
Child care subsidies	28,746,751	-	28,746,751	21,362,283
Resource and referral	355,007	-	355,007	304,462
General and others	3,530,518	-	3,530,518	1,490,992
Mental health	<u>473,932</u>	<u>-</u>	<u>473,932</u>	<u>314,027</u>
Total program services	<u>33,106,208</u>	<u>-</u>	<u>33,106,208</u>	<u>23,471,764</u>
Support services				
Management and general	<u>1,798,481</u>	<u>-</u>	<u>1,798,481</u>	<u>1,772,699</u>
Total support services	<u>1,798,481</u>	<u>-</u>	<u>1,798,481</u>	<u>1,772,699</u>
Total functional expenses	<u>34,904,689</u>	<u>-</u>	<u>34,904,689</u>	<u>25,244,463</u>
Change in net assets	283,023	(288,092)	(5,069)	1,106
Net assets, beginning of year	<u>2,004,080</u>	<u>730,812</u>	<u>2,734,892</u>	<u>2,733,786</u>
Net assets, end of year	<u>\$ 2,287,103</u>	<u>\$ 442,720</u>	<u>\$ 2,729,823</u>	<u>\$ 2,734,892</u>

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

Hively
Statement of Functional Expenses
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	Program Services						2023	2022
	Child Care Subsidies	Resource and Referral	General and Others	Mental Health	Total Program Services	Management and General	Total	Total
Personnel expenses								
Salaries and wages	\$ 1,804,005	\$ 127,243	\$ 280,592	\$ 301,755	\$ 2,513,595	\$ 794,398	\$ 3,307,993	\$ 2,564,403
Payroll taxes	136,516	10,288	20,895	23,417	191,116	60,890	252,006	193,574
Employee benefits	334,666	28,081	44,425	41,236	448,408	161,819	610,227	430,656
Total personnel expenses	<u>2,275,187</u>	<u>165,612</u>	<u>345,912</u>	<u>366,408</u>	<u>3,153,119</u>	<u>1,017,107</u>	<u>4,170,226</u>	<u>3,188,633</u>
Provider payments	25,519,964	-	-	-	25,519,964	-	25,519,964	19,160,807
Rent	305,886	107,977	26,577	2,819	443,259	215,735	658,994	585,292
Professional and contract services	293,719	6,105	13,762	55,484	369,070	369,001	738,071	596,713
In-kind expenses	-	-	58,400	-	58,400	-	58,400	58,136
Supplies	166,772	9,669	3,064,552	24,570	3,265,563	106,370	3,371,933	1,271,757
Staff development and training	28,963	11,884	10,412	840	52,099	22,162	74,261	66,577
Depreciation and amortization	-	-	-	-	-	12,085	12,085	13,561
Other expenses	13,668	16,536	516	413	31,133	24,847	55,980	59,377
Telephone	65,940	10,535	224	6,169	82,868	24,884	107,752	100,588
Postage	8,019	514	990	316	9,839	2,693	12,532	12,933
Insurance	30,658	246	-	-	30,904	-	30,904	31,725
Travel	2,169	1,444	2,989	13	6,615	568	7,183	11,883
Repairs and maintenance	35,806	19,186	1,653	16,900	73,545	3,029	76,574	80,121
Provider training and reimbursement	-	5,299	4,531	-	9,830	-	9,830	6,360
	<u>\$ 28,746,751</u>	<u>\$ 355,007</u>	<u>\$ 3,530,518</u>	<u>\$ 473,932</u>	<u>\$ 33,106,208</u>	<u>\$ 1,798,481</u>	<u>\$ 34,904,689</u>	<u>\$ 25,244,463</u>

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

Hively
Statement of Cash Flows
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ (5,069)	\$ 1,106
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	12,085	13,561
Amortization of right-of-use assets	525,054	-
Changes in operating assets and liabilities		
Contributions and grants receivable	(2,372,902)	556,403
Other accounts receivable	(165,197)	(45,812)
Prepaid expenses	(68,410)	184
Deposits	-	(6,364)
Accounts payable	(121,301)	683,541
Accrued expenses	407,747	(157,694)
Contract advances	(182,946)	932,907
CDSS reserve	3,235	54,446
Lease liability	(476,429)	-
Deferred rent	(46,675)	39,110
Net cash provided by (used in) operating activities	<u>(2,490,808)</u>	<u>2,071,388</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(16,344)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(16,344)</u>	<u>-</u>
Net increase (decrease) in cash	(2,507,152)	2,071,388
Cash, cash equivalents and restricted cash, beginning of year	<u>5,655,221</u>	<u>3,583,833</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 3,148,069</u>	<u>\$ 5,655,221</u>
Cash, cash equivalents and restricted cash consisted of the following:		
Cash and cash equivalents	\$ 3,061,984	\$ 5,626,694
Restricted cash	<u>86,085</u>	<u>28,527</u>
	<u>\$ 3,148,069</u>	<u>\$ 5,655,221</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, 2023

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, 2023

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, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Agency adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Agency elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Agency recognized on July 1, 2022, an initial lease liability of \$1,809,364, which represents the present value of the remaining operating lease payments of \$1,851,705 discounted using risk free rates ranging from 0.77% to 2.23%, and a right-of-use asset of \$1,762,689, which represents the operating lease liability of \$1,809,364 adjusted for deferred rent of \$46,675.

The standard had a material impact to the Agency's statement of financial position as of June 30, 2023, but did not have a material impact on the Agency's statement of activities, nor statement of cash flows for the year then ended. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases on the statement of financial position as of June 30, 2023.

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, 2023, 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.

Hively
Notes to Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted cash

Restricted cash as of June 30, 2023 amounted to \$86,085 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.

Grants and other accounts 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. Management has established an allowance for doubtful receivables based on prior collection experience and aging status of outstanding receivables. At June 30, 2023, there was no allowance for doubtful receivables.

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, 2023.

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.

Hively
Notes to Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

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, 2023, and is included in accrued expenses in the accompanying statement of financial position. The accrued vacation balance as of June 30, 2023 was \$143,632.

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, 2023 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 2022, the contract was extended through June 30, 2024.

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.

Hively
Notes to Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

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, 2023 amounted to \$401,280 and consists of contributed use of office space. Management did not consider an allowance for doubtful contributions to be necessary at June 30, 2023.

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 under GAAP revenue recognition 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 deferred revenue in the statements of financial position. The Agency has been awarded cost-reimbursable grants of approximately \$7,514,000 that have not been recognized at June 30, 2023 because qualifying expenditures have not yet been incurred, with an advance payment of \$1,024,767 recognized in the statement of financial position as deferred revenue.

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, 2023 totaled \$62,776.

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.

Hively
Notes to Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses (continued)

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 23701(d). 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, 2023.

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, 2022, from which the summarized information was derived.

Hively
Notes to Financial Statements
June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

The Agency has evaluated subsequent events through November 13, 2023, 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	37,606
Software	<u>20,280</u>
	366,814
Accumulated depreciation and amortization	<u>(342,240)</u>
	<u><u>\$ 24,574</u></u>

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, 2023 was \$12,085.

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, 2023 for the Alternative Payment and Resource and Referral programs were \$76,463 and \$9,522, respectively.

5. LEASES

The Agency has entered into operating leases for property and equipment. The leases have terms expiring through 2027 and monthly lease payments ranging from \$100 to \$25,253.

Hively
Notes to Financial Statements
June 30, 2023

5. LEASES (continued)

(continued)

Additional information related to leases is as follows:

Cash flows from operating leases	\$ 544,348
Operating lease cost	\$ 658,994
Operating lease ROU assets obtained in exchange for lease obligations	\$ 1,762,689
Weighted average discount rate	0.84 %
Weighted average remaining lease term	3.3 years

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

<u>Year ending June 30,</u>	
2024	\$ 489,504
2025	309,032
2026	306,723
2027	<u>200,101</u>
	<u><u>\$ 1,305,360</u></u>

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, 2023. 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, 2023, the Agency contributed \$221,598 to the Plan.

Hively
Notes to Financial Statements
June 30, 2023

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.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Family Services of San Leandro	\$ 41,440
In-kind lease	<u>401,280</u>
	<u><u>\$ 442,720</u></u>

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

Family Services of San Leandro	\$ 221,612
In-kind lease	36,480
Sunlight Giving	<u>30,000</u>
	<u><u>\$ 288,092</u></u>

Hively
Notes to Financial Statements
June 30, 2023

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 \$58,400 during the year ended June 30, 2023.

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, 2023 to fund general expenditures and other obligations when they become due:

Financial assets	
Cash and cash equivalents	\$ 3,061,984
Contributions and grants receivable	4,242,201
Other accounts receivable	<u>211,009</u>
	<u>7,515,194</u>
Less: amounts unavailable for general expenditures within one year	
Net assets with donor restrictions	(442,720)
Deposit related to the CalWORKs contract	<u>(1,400,000)</u>
	<u>(1,842,720)</u>
	<u>\$ 5,672,474</u>

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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated November 13, 2023.

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^{LLP}
San Francisco, California

November 13, 2023



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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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^{LLP}
San Francisco, California

November 13, 2023

Hively
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

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 3	93.575	C3AP-2003	\$ 1,679,844
Child Care and Development Block Grant, Stage 2	93.575	C2AP-2003	397,369
Child Care and Development Fund, Resource and Referral Program	93.575	CRRP-2002	148,360
Child Care Initiative Project	93.575	CCIP-2001	26,003
		FGRT-21-	
Child Care Initiative Project Expansion	93.575	CCCD-CCIP04	304,849
		FGRT-21-	
Child Care and Development Block Grant, Instructional Materials and Supply Grant	93.575	CCCD-GAN-IMS04	148,797
Child Care and Development Block Grant Health and Safety Training	93.575	CHST-2001	5,498
Stipend (AB 179) - ARPA	93.575	CCB-23-08	2,750,209
Total Child Care and Development Block Grant			<u>5,460,929</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-1003	2,975,573
Child Care and Development Fund Alternative Payment	93.596	CAPP-2003	5,526,659
			<u>8,502,232</u>
Pass-through program from the County of Alameda:			
Childcare Development Program services	93.596	24440	235,427
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			<u>8,737,659</u>
Total CCDF Cluster			<u>14,198,588</u>
Temporary Assistance for Needy Families			
Pass-through from the State of California:			
Child Care and Development Fund Alternative Payment	93.558	18418	5,442,809
Pass-through program from:			
Total Temporary Assistance for Needy Families			<u>5,442,809</u>
Child Care Allowance Program	93.658	FCCCAP 2017-2020	250,900
Total Foster Care _Title IV-E			<u>250,900</u>
Total U.S. Department of Health and Human Services			<u>19,892,297</u>
Total Expenditures of Federal Awards			<u>19,892,297</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, 2023

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		CAPP-2003	3,561,169
Alternative payment, State portion		CAPP-1003	2,151,962
Contingency funding, Stage 2		C2AP-2003	1,220,393
Contingency funding, Stage 3		C3AP-2003	1,229,372
Resource and Referral - general, State portion		CRRP-2002	209,161
Child Care Initiative project		CCIP-2001	2,503
CalWORKs Stage 1, state portion		18418	5,442,809
			<u>13,817,369</u>
Pass-through from the County of Alameda:			
Alternative payment general		24440	235,427
Inclusive Early Education Expansion Program Grant (IEEEP)			21,289
			<u>256,716</u>
Pass-through from First 5 Alameda County:			
Quality Counts/Inclusion Project/Training Coordinator		PS-ECE-2223-112	110,000
Family, Friend and Neighbor (FFN) Pilot Program		PS-ECE-2223-133	80,000
			<u>190,000</u>
 Total State of California			 <u>14,264,085</u>
 Total Expenditures of State Awards			 <u>14,264,085</u>
 Total Expenditures of Federal and State Awards			 <u>\$ 34,156,382</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, 2023

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, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 has elected to not use the 10% de minimis indirect cost rate for federal awards. 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, 2023

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, 2023

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, 2023

There were no prior year findings.

SUPPORTING SCHEDULES REQUIRED BY CALIFORNIA DEPARTMENT OF SOCIAL
SERVICES

Hively
General Information
For the Year Ended June 30, 2023

Center Name	Hively
Contract Numbers	CAPP-1003 CAPP-2003 C2AP-2003 C3AP-2003 CHST-2001 CRRP-2002 CCIP-2001
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, 2023
Number of Operations Days of Agency	246
Scheduled Daily Hours of Operation	Varies

Hively
Operating Programs - Schedule of Financial Position
June 30, 2023

ASSETS

	<u>Child Care Subsidy Programs</u>		<u>CDSS</u>						
	<u>CDSS Programs</u>	<u>County of Alameda Programs</u>	<u>Resource and Referral Programs</u>	<u>Other Programs</u>	<u>Mental Health</u>	<u>General Programs</u>	<u>Eliminating Entries</u>	<u>Total</u>	
Current assets									
Cash and cash equivalents	\$ 1,993,656	\$ 2,845,183	\$ 179,797	\$ 2,037,344	\$ 22,036	\$ (4,016,032)	\$ -	\$ 3,061,984	
Restricted cash	76,464	-	9,522	-	-	99	-	86,085	
Accounts receivable									
Grant	2,588,121	1,228,929	84,104	284,724	56,323	-	-	4,242,201	
Other receivable	42	7	19	17	1,545	209,379	-	211,009	
Contributions	-	-	-	-	36,480	-	-	36,480	
Interfund receivables	9,044,114	1,805,245	183,418	341,433	113,651	6,011,149	(17,499,010)	-	
Prepaid expenses	-	-	-	-	-	203,625	-	203,625	
Total current assets	<u>13,702,397</u>	<u>5,879,364</u>	<u>456,860</u>	<u>2,663,518</u>	<u>230,035</u>	<u>2,408,220</u>	<u>(17,499,010)</u>	<u>7,841,384</u>	
Contributions receivable	-	-	-	-	364,800	-	-	364,800	
Property and equipment, net	20,708	26,016	3,452	277	8,623	(34,502)	-	24,574	
Right of use asset	-	87,347	-	-	975	1,149,313	-	1,237,635	
Deposits	-	-	-	-	-	50,149	-	50,149	
Total	<u>20,708</u>	<u>113,363</u>	<u>3,452</u>	<u>277</u>	<u>374,398</u>	<u>1,164,960</u>	<u>-</u>	<u>1,677,158</u>	
 Total assets	<u>\$ 13,723,105</u>	<u>\$ 5,992,727</u>	<u>\$ 460,312</u>	<u>\$ 2,663,795</u>	<u>\$ 604,433</u>	<u>\$ 3,573,180</u>	<u>\$ (17,499,010)</u>	<u>\$ 9,518,542</u>	

LIABILITIES AND NET ASSETS

Current liabilities									
Accounts payable	\$ 1,982,647	\$ 77,418	\$ 4,588	\$ 8,898	\$ 20,670	\$ 120,031	\$ -	\$ 2,214,252	
Accrued expenses	583,797	413,572	50,574	82,152	95,845	(448,485)	-	777,455	
Interfund payables	10,639,492	3,327,117	318,437	1,304,328	42,614	1,867,022	(17,499,010)	-	
Lease liability	-	91,280	-	-	975	362,525	-	454,780	
Contract advances	90,678	-	-	1,130,935	-	(196,846)	-	1,024,767	
CDSS reserve	76,462	-	9,523	-	-	-	-	85,985	
Total current liabilities	<u>13,373,076</u>	<u>3,909,387</u>	<u>383,122</u>	<u>2,526,313</u>	<u>160,104</u>	<u>1,704,247</u>	<u>(17,499,010)</u>	<u>4,557,239</u>	
Lease liabilities	-	-	-	-	-	831,480	-	831,480	
Contract advance	-	1,400,000	-	-	-	-	-	1,400,000	
Total liabilities	<u>13,373,076</u>	<u>5,309,387</u>	<u>383,122</u>	<u>2,526,313</u>	<u>160,104</u>	<u>2,535,727</u>	<u>(17,499,010)</u>	<u>6,788,719</u>	
Total net assets - operations	<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>-</u>	<u>2,729,823</u>	
 Total liabilities and net assets	<u>\$ 13,723,105</u>	<u>\$ 5,992,727</u>	<u>\$ 460,312</u>	<u>\$ 2,663,795</u>	<u>\$ 604,433</u>	<u>\$ 3,573,180</u>	<u>\$ (17,499,010)</u>	<u>\$ 9,518,542</u>	

Hively
Operating Programs - Schedule of Activities and Changes in Net Assets
For the Year Ended June 30, 2023

	CDSS Programs	County of Alameda	CDSS Resource and Referral Programs	Other Programs	Mental Health	General Programs	Total
Support and revenue							
Contract revenue	\$18,736,461	\$11,605,425	\$ 390,410	\$ 3,520,201	\$ 263,344	\$ 196,847	\$ 34,712,688
Contributions	-	-	-	-	-	55,800	55,800
In-kind revenue	-	-	-	-	-	58,400	58,400
Program service fees	-	-	-	-	32,675	-	32,675
Interest	5,879	1,948	127	-	60	3,251	11,265
Other revenue	-	-	988	-	144	27,660	28,792
Total support and revenue	<u>18,742,340</u>	<u>11,607,373</u>	<u>391,525</u>	<u>3,520,201</u>	<u>296,223</u>	<u>341,958</u>	<u>34,899,620</u>
Expenditures							
Provider payments	15,736,975	9,782,989	-	-	-	-	25,519,964
Certified salaries	1,024,138	779,867	127,243	280,591	301,755	-	2,513,594
Classified salaries	462,197	226,785	28,761	43,395	33,260	-	794,398
Employee benefits	413,501	258,855	44,593	73,493	71,978	(187)	862,233
Books and supplies	233,931	49,300	10,821	3,054,073	24,887	11,469	3,384,481
Service and other operating expense	871,598	509,577	180,107	68,649	122,435	7,168	1,759,534
In kind expenses	-	-	-	-	-	58,400	58,400
Depreciation	-	-	-	-	-	12,085	12,085
Total expenditures	<u>18,742,340</u>	<u>11,607,373</u>	<u>391,525</u>	<u>3,520,201</u>	<u>554,315</u>	<u>88,935</u>	<u>34,904,689</u>
Changes in net assets	-	-	-	-	(258,092)	253,023	(5,069)
Net assets, beginning of year	<u>350,029</u>	<u>683,340</u>	<u>77,190</u>	<u>137,482</u>	<u>702,421</u>	<u>784,430</u>	<u>2,734,892</u>
Net assets, end 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>

Hively
Combining Schedule of Activities - County of Alameda Programs
For the Year Ended June 30, 2023

	Alameda County CAPP-2000	Alameda County FCCCAP	Alameda County CDSS Stage 1	Combining Schedule of County of Alameda Programs
Support and revenue				
State of California	\$ 470,814	\$ -	\$ -	\$ 470,814
County of Alameda	-	250,900	10,883,711	11,134,611
Interest income	41	-	1,907	1,948
Total support and revenue	<u>470,855</u>	<u>250,900</u>	<u>10,885,618</u>	<u>11,607,373</u>
Expenditures				
Provider payments	388,455	163,790	9,230,744	9,782,989
Certified salaries	31,143	54,668	694,056	779,867
Classified salaries	12,299	3,979	210,507	226,785
Employee benefits	10,526	14,971	233,358	258,855
Books and supplies	3,853	1,366	44,081	49,300
Service and other operating expense	24,579	12,126	472,872	509,577
Total expenditures	<u>470,855</u>	<u>250,900</u>	<u>10,885,618</u>	<u>11,607,373</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hively
Combining Schedule of Activities - Alternative Payment Program
For the Year Ended June 30, 2023

	General CAPP-1003	General CAPP-2003	CalWORKs Stage 2 C2AP-2003	CalWORKs Stage 3 Timing Out C3AP-2003	Total CDSS Alternative Payment
Support and revenue					
State of California	\$ 5,128,994	\$ 9,082,119	\$ 1,617,338	\$ 2,908,010	\$ 18,736,461
Interest income	<u>3,280</u>	<u>969</u>	<u>425</u>	<u>1,205</u>	<u>5,879</u>
Total support and revenue	<u>5,132,274</u>	<u>9,083,088</u>	<u>1,617,763</u>	<u>2,909,215</u>	<u>18,742,340</u>
Expenditures					
Provider payments	4,245,773	7,685,674	1,353,649	2,451,879	15,736,975
Certified salaries	272,085	500,587	96,047	155,419	1,024,138
Classified salaries	192,252	174,337	40,045	55,563	462,197
Employee benefits	100,542	210,562	40,496	61,901	413,501
Books and supplies	46,077	136,749	17,996	33,109	233,931
Service and other operating expenses	<u>275,545</u>	<u>375,179</u>	<u>69,530</u>	<u>151,344</u>	<u>871,598</u>
Total expenditures	<u>5,132,274</u>	<u>9,083,088</u>	<u>1,617,763</u>	<u>2,909,215</u>	<u>18,742,340</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hively
Combining Schedule of Activities - Resource and Referral Program
For the Year Ended June 30, 2023

	Resource and Referral CRRP-2002	CCDBG Child Care Initiative Project CCIP- 2001	CCDBG Health and Safety CHST- 2001	Total CDSS Resource and Referral
Support and revenue				
State of California	\$ 356,409	\$ 28,503	\$ 5,498	\$ 390,410
Interest income	124	3	-	127
Other income	988	-	-	988
Total support and revenue	<u>357,521</u>	<u>28,506</u>	<u>5,498</u>	<u>391,525</u>
Expenditures				
Certified salaries	106,465	20,216	562	127,243
Classified salaries	28,761	-	-	28,761
Employee benefits	39,276	5,165	152	44,593
Books and supplies	10,624	197	-	10,821
Service and other operating expense	172,395	2,928	4,784	180,107
Total expenditures	<u>357,521</u>	<u>28,506</u>	<u>5,498</u>	<u>391,525</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hively
Combining Schedule of Administrative Costs - CDSS Programs
For the Year Ended June 30, 2023

	General Program <u>CAPP-1003</u>	General Program <u>CAPP-2003</u>	CalWORKs Stage 2 <u>C2AP-2003</u>	CalWORKs Stage 3 Timing Out <u>C3AP-2003</u>	Contract through Alameda County <u>CAPP-1000</u>	<u>Total</u>
Administrative costs						
Salaries and wages	\$ 191,978	\$ 174,611	\$ 40,045	\$ 55,563	\$ -	\$ 462,197
Employee benefits	50,465	58,608	12,762	17,520	-	139,355
Books and supplies	20,159	34,584	8,711	13,531	-	76,985
Operating expenses	<u>126,268</u>	<u>185,316</u>	<u>45,106</u>	<u>82,949</u>	<u>-</u>	<u>439,639</u>
Total administrative costs	<u>\$ 388,870</u>	<u>\$ 453,119</u>	<u>\$ 106,624</u>	<u>\$ 169,563</u>	<u>\$ -</u>	<u>\$ 1,118,176</u>

Hively
Schedule of Reimbursable Equipment Expenditures
For the Year Ended June 30, 2023

Equipment Expenditures:

Unit Cost Under \$5,000 Per Item

None

\$ -

Unit Cost Over \$5,000 Per Item

With Prior Written Approval

None

-

Unit Cost Over \$5,000 Per Item

Without Prior Written Approval

None

-

Total Equipment Expenditures

\$ -

Hively
Schedule of Reimbursable Renovation and Repair Expenditures
For the Year Ended June 30, 2023

Renovations and Repairs:

Unit Cost Under \$10,000 Per Item

None	\$	-
------	----	---

Unit Cost Over \$10,000 Per Item
With Prior Written Approval

None		-
------	--	---

Unit Cost Over \$10,000 Per Item
Without Prior Written Approval

None		-
------	--	---

Total Renovations and Repairs	\$	-
-------------------------------	----	---

Hively
Notes to Child Care Supplementary Information
For the Year Ended June 30, 2023

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, 2023.

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, 2023.

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, 2023.

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

Fiscal Year Ending

June 30, 2023

Contract Number

CAPP 1003

Vendor Code

01-0B388-00

Full Name of Contractor **Hively**

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	671			671
Interest Earned on Child Development Apportionment Payments	788	3,280		4,068
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)	1,459	3,280		4,739

Contract Number

CAPP 1003

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	4,253,447	4,245,773		8,499,220
1000 Certificated Salaries	129,533	272,085		401,618
2000 Classified Salaries	71,559	192,252		263,811
3000 Employee Benefits	73,054	100,542		173,596
4000 Books and Supplies	137,247	46,077		183,324
5000 Services and Other Operating Expenses	212,183	275,545		487,728
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
Total Reimbursable Expenses	4,877,023	5,132,274		10,009,297
Total Administrative Cost (included in Section 2 above)	254,936	388,870		643,806
Days of Operation	246	246		492

Approved Indirect Cost Rate:

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

Contract Number

CAPP 1003

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:				
Total Supplemental Revenue				

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				
Total Supplemental Expenses				

Contract Number CAPP 1003

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	671			671
Interest Earned on Child Development Apportionment Payments	788	3,280		4,068
Direct Payments to Providers	4,253,447	4,245,773		8,499,220
Total Administrative Cost	254,936	388,870		643,806
Days of Operation	246	246		492
Total Reimbursable Expenses	4,877,023	5,132,274		10,009,297

Comments:

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

Fiscal Year Ending

June 30, 2023

Contract Number

CAPP 2003

Vendor Code

01-0B388-00

Full Name of Contractor Hively

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*		883,124		883,124
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		970		970
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		970		970

Contract Number

CAPP 2003

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		7,685,674
1000 Certificated Salaries		500,587		500,587
2000 Classified Salaries		174,337		174,337
3000 Employee Benefits		210,562		210,562
4000 Books and Supplies		136,749		136,749
5000 Services and Other Operating Expenses		375,179		375,179
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
Total Reimbursable Expenses		9,083,088		9,083,088
Total Administrative Cost (included in Section 2 above)		453,119		453,119
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number

CAPP 2003

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:				
Total Supplemental Revenue				

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				
Total Supplemental Expenses				

Contract Number

CAPP 2003

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				
Interest Earned on Child Development Apportionment Payments		970		970
Direct Payments to Providers		7,685,674		7,685,674
Total Administrative Cost		453,119		453,119
Days of Operation		246		246
Total Reimbursable Expenses		9,083,088		9,083,088

Comments:

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

Fiscal Year Ending

June 30, 2023

Contract Number

C2AP 2003

Vendor Code

01-0B388-00

Full Name of Contractor **Hively**

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*		28,502		28,502
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		425		425
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		425		425

Contract Number

C2AP 2003

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		1,353,649		1,353,649
1000 Certificated Salaries		96,047		96,047
2000 Classified Salaries		40,045		40,045
3000 Employee Benefits		40,495		40,495
4000 Books and Supplies		17,997		17,997
5000 Services and Other Operating Expenses		69,530		69,530
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
Total Reimbursable Expenses		1,617,763		1,617,763
Total Administrative Cost (included in Section 2 above)		106,624		106,624
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number

C2AP 2003

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:				
Total Supplemental Revenue				

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				
Total Supplemental Expenses				

Contract Number C2AP 2003

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				
Interest Earned on Child Development Apportionment Payments		425		425
Direct Payments to Providers		1,353,649		1,353,649
Total Administrative Cost		106,624		106,624
Days of Operation		246		246
Total Reimbursable Expenses		1,617,763		1,617,763

Comments:

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

Fiscal Year Ending

June 30, 2023

Contract Number

C3AP 2003

Vendor Code

01-0B388-00

Full Name of Contractor Hively

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*		196,543		196,543
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		1,205		1,205
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		1,205		1,205

Contract Number

C3AP 2003

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		2,451,879		2,451,879
1000 Certificated Salaries		155,419		155,419
2000 Classified Salaries		55,564		55,564
3000 Employee Benefits		61,901		61,901
4000 Books and Supplies		33,109		33,109
5000 Services and Other Operating Expenses		151,344		151,344
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
Total Reimbursable Expenses		2,909,216		2,909,216
Total Administrative Cost (included in Section 2 above)		169,563		169,563
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number

C3AP 2003

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:				
Total Supplemental Revenue				

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				
Total Supplemental Expenses				

Contract Number

C3AP 2003

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				
Interest Earned on Child Development Apportionment Payments		1,205		1,205
Direct Payments to Providers		2,451,879		2,451,879
Total Administrative Cost		169,563		169,563
Days of Operation		246		246
Total Reimbursable Expenses		2,909,216		2,909,216

Comments:

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	124		124
Unrestricted Income - Other:	988		988
Total Revenue	1,112		1,112

Contract Number

CRRP 2002

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	106,466		106,466
2000 Classified Salaries	28,761		28,761
3000 Employee Benefits	39,276		39,276
4000 Books and Supplies	10,623		10,623
5000 Services and Other Operating Expenses	172,395		172,395
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	357,521		357,521

Approved Indirect Cost Rate:

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

Contract Number

CRRP 2002

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 2002

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	124		124
Total Reimbursable Expenses	357,521		357,521

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 (CCIP and CLPC only)			
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Interest Earned on Child Development Apportionment Payments	3		3
Unrestricted Income - Match Requirement (CCIP and CLPC only)			
Unrestricted Income - Other:			
Total Revenue	3		3

Contract Number

CCIP 2001

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	20,215		20,215
2000 Classified Salaries			
3000 Employee Benefits	5,165		5,165
4000 Books and Supplies	197		197
5000 Services and Other Operating Expenses	2,929		2,929
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	28,506		28,506
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

CCIP 2001

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 CCIP 2001

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 (CCIP and CLPC only)			
Unrestricted Income - Match Requirement			
Interest Earned on Child Development Apportionment Payments	3		3
Total Reimbursable Expenses	28,506		28,506
Total Administrative Cost			

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 (CCIP and CLPC only)			
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Match Requirement (CCIP and CLPC only)			
Unrestricted Income - Other:			
Total Revenue			

Contract Number

CHST 2001

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	562		562
2000 Classified Salaries			
3000 Employee Benefits	152		152
4000 Books and Supplies			
5000 Services and Other Operating Expenses	4,784		4,784
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	5,498		5,498
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

CHST 2001

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 CHST 2001

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 (CCIP and CLPC only)			
Unrestricted Income - Match Requirement			
Interest Earned on Child Development Apportionment Payments			
Total Reimbursable Expenses	5,498		5,498
Total Administrative Cost			

Comments:

**AUDITED RESERVE ACCOUNT
ACTIVITY REPORT**

Fiscal Year End

June 30, 2023

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 (2021–22 AUD 9530A Ending Balance)	76,355
2. Plus Transfers to Reserve Account:	Per 2021–22 Post-Audit CDNFS 9530
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Total Transferred from 2021–22 Contracts to Reserve	
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2021-22 Post-Audit CDNFS 9530	76,355

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

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve:	108		108
6. Less Transfers to Contracts from Reserve:			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Total Transferred to Contracts from Reserve Account			
7. Ending Balance on June 30, 2023	76,463		76,463

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

**AUDITED RESERVE ACCOUNT
ACTIVITY REPORT**

Fiscal Year End

June 30, 2023

Reserve Account Type

Resource & Referral

Vendor Code

01-0B388-00

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

1. Beginning Balance (2021–22 AUD 9530A Ending Balance)	9,518
2. Plus Transfers to Reserve Account:	Per 2021–22 Post-Audit CDNFS 9530
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Total Transferred from 2021–22 Contracts to Reserve	
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2021-22 Post-Audit CDNFS 9530	9,518

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

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve:	4		4
6. Less Transfers to Contracts from Reserve:			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Total Transferred to Contracts from Reserve Account			
7. Ending Balance on June 30, 2023	9,522		9,522

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