

Hively

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

June 30, 2022
(With Comparative Totals for 2021)

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 17
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 <i>Government Auditing Standards</i>	19 - 20
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	21 - 23
Schedule of Expenditures of Federal and State Awards	24 - 25
Notes to Schedule of Expenditures of Federal and State Awards	26
Schedule of Findings and Questioned Costs	27 - 28
Summary Schedule of Prior Audit Findings	29
Supporting Schedules Required by the California Department of Education and the California Department of Social Services	
General Information	31
Operating Programs - Schedule of Financial Position	32
Operating Programs - Schedule of Activities and Changes in Net Assets	33
Combining Schedule of Activities - County of Alameda Programs	34
Combining Schedule of Activities - Alternative Payment Program	35
Combining Schedule of Activities - Resource and Referral Program	36
Combining Schedule of Administrative Costs - CDE Programs	37
Schedule of Reimbursable Equipment Expenditures	38
Schedule of Reimbursable Renovation and Repair Expenditures	39
Notes to Child Care Supplementary Information	40
Audited Final Attendance and Fiscal Report Forms	41 - 72

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, 2022, 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, 2022, 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.

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 31 - 70 for California Department of Education is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, 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.

Report on Summarized Comparative Information

We have previously audited Hively's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Armanino^{LLP}
San Francisco, California

December 14, 2022

Hively
Statement of Financial Position
June 30, 2022
(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,626,694	\$ 3,555,429
Restricted cash	28,527	28,404
Grants receivable	1,832,819	2,352,742
Other accounts receivable	45,812	-
Contributions receivable	36,480	36,480
Prepaid expenses	135,215	135,399
Total current assets	<u>7,705,547</u>	<u>6,108,454</u>
Noncurrent assets		
Contributions receivable, net of current portion	401,280	437,760
Property and equipment, net	20,315	33,875
Deposits	50,149	43,785
Total noncurrent assets	<u>471,744</u>	<u>515,420</u>
Total assets	<u>\$ 8,177,291</u>	<u>\$ 6,623,874</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 2,335,553	\$ 1,652,011
Accrued expenses	369,708	527,402
Contract advances	1,207,713	274,806
CDE reserve	82,750	28,304
Total current liabilities	<u>3,995,724</u>	<u>2,482,523</u>
Long-term liabilities		
Deferred rent	46,675	7,565
Contract advance	1,400,000	1,400,000
Total long-term liabilities	<u>1,446,675</u>	<u>1,407,565</u>
Total liabilities	<u>5,442,399</u>	<u>3,890,088</u>
Net assets		
Without donor restrictions	2,004,080	1,932,679
With donor restrictions	730,812	801,107
Total net assets	<u>2,734,892</u>	<u>2,733,786</u>
Total liabilities and net assets	<u>\$ 8,177,291</u>	<u>\$ 6,623,874</u>

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

Hively
Statement of Activities
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Support and revenue				
Contract revenue	\$ 24,856,005	\$ -	\$ 24,856,005	\$ 20,108,344
Parent fees	813	-	813	1,076,134
Contributions	235,141	30,000	265,141	185,625
In-kind contributions	58,136	-	58,136	925,166
Program service fees	31,354	-	31,354	25,015
Interest income	9,537	-	9,537	6,687
Other income	24,583	-	24,583	693,866
Net assets released from restriction	100,295	(100,295)	-	-
Total support and revenue	<u>25,315,864</u>	<u>(70,295)</u>	<u>25,245,569</u>	<u>23,020,837</u>
Functional expenses				
Program services				
Child care subsidies	21,362,283	-	21,362,283	18,748,434
Resource and referral	304,462	-	304,462	427,997
General and others	1,490,992	-	1,490,992	1,466,476
Mental health	314,027	-	314,027	353,614
Total program services	<u>23,471,764</u>	<u>-</u>	<u>23,471,764</u>	<u>20,996,521</u>
Support services				
Management and general	1,772,699	-	1,772,699	1,587,960
Total support services	<u>1,772,699</u>	<u>-</u>	<u>1,772,699</u>	<u>1,587,960</u>
Total functional expenses	<u>25,244,463</u>	<u>-</u>	<u>25,244,463</u>	<u>22,584,481</u>
Change in net assets	71,401	(70,295)	1,106	436,356
Net assets, beginning of year	<u>1,932,679</u>	<u>801,107</u>	<u>2,733,786</u>	<u>2,297,430</u>
Net assets, end of year	<u>\$ 2,004,080</u>	<u>\$ 730,812</u>	<u>\$ 2,734,892</u>	<u>\$ 2,733,786</u>

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

Hively
Statement of Functional Expenses
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	Program Services						2022	2021
	Child Care Subsidies	Resource and Referral	General and Others	Mental Health	Total Program Services	Management and General	Total	Total
Personnel expenses								
Salaries and wages	\$ 1,123,129	\$ 106,852	\$ 241,966	\$ 214,525	\$ 1,686,472	\$ 877,931	\$ 2,564,403	\$ 2,512,807
Payroll taxes	86,265	8,482	18,341	16,347	129,435	64,139	193,574	184,532
Employee benefits	215,911	20,772	36,620	18,140	291,443	139,213	430,656	414,492
Total personnel expenses	1,425,305	136,106	296,927	249,012	2,107,350	1,081,283	3,188,633	3,111,831
Provider payments	19,154,865	-	5,942	-	19,160,807	-	19,160,807	15,868,691
Rent	246,921	71,209	106,190	441	424,761	160,531	585,292	402,781
Professional and contract services	203,029	4,293	25,940	5,922	239,184	357,529	596,713	336,188
In-kind expenses	-	-	58,136	-	58,136	-	58,136	925,166
Supplies	188,945	36,351	955,934	21,573	1,202,803	68,954	1,271,757	1,586,952
Staff development and training	8,830	5,621	13,768	-	28,219	38,358	66,577	65,142
Depreciation and amortization	-	-	-	-	-	13,561	13,561	17,316
Other expenses	11,333	15,576	-	10,507	37,416	21,961	59,377	78,584
Telephone	53,840	15,449	200	8,168	77,657	22,931	100,588	87,768
Postage	-	5,265	1,919	897	8,081	4,852	12,933	11,456
Insurance	30,954	271	500	-	31,725	-	31,725	27,656
Travel	4,835	1,595	3,822	504	10,756	1,127	11,883	15,818
Repairs and maintenance	33,426	6,966	21,114	17,003	78,509	1,612	80,121	43,358
Provider training and reimbursement	-	5,760	600	-	6,360	-	6,360	5,774
	<u>\$ 21,362,283</u>	<u>\$ 304,462</u>	<u>\$ 1,490,992</u>	<u>\$ 314,027</u>	<u>\$ 23,471,764</u>	<u>\$ 1,772,699</u>	<u>\$ 25,244,463</u>	<u>\$ 22,584,481</u>

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

Hively
Statement of Cash Flows
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ 1,106	\$ 436,356
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	13,561	17,316
Paycheck Protection Program loan forgiveness	-	(403,894)
Changes in operating assets and liabilities		
Contributions and grants receivable	556,403	(684,884)
Other accounts receivable	(45,812)	11,550
Prepaid expenses	184	(60,457)
Deposits	(6,364)	(5,172)
Accounts payable	683,541	109,362
Accrued expenses	(157,694)	70,329
Contract advances	932,907	(201,040)
CDE reserve	54,446	25
Deferred rent	39,110	(13,714)
Net cash provided by (used in) operating activities	<u>2,071,388</u>	<u>(724,223)</u>
Net increase (decrease) in cash	2,071,388	(724,223)
Cash, cash equivalents and restricted cash, beginning of year	<u>3,583,833</u>	<u>4,308,056</u>
Cash, cash equivalents and restricted cash, end of year	<u><u>\$ 5,655,221</u></u>	<u><u>\$ 3,583,833</u></u>
Cash, cash equivalents and restricted cash consisted of the following:		
Cash and cash equivalents	\$ 5,626,694	\$ 3,555,429
Restricted cash	<u>28,527</u>	<u>28,404</u>
	<u><u>\$ 5,655,221</u></u>	<u><u>\$ 3,583,833</u></u>

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

Hively
Notes to Financial Statements
June 30, 2022

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 Education ("CDE") 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 CDE 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 CDE, 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.

- *Behavioral Health Care Programs* - The Agency offers a variety of behavioral 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, 2022

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, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. The Agency adopted this new standard on July 1, 2021. Adoption of this standard did not have a material impact on the financial statements.

Cash and cash equivalents

The Agency considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2022, the Agency did not have any cash equivalents. The Agency places its cash and temporary investments with high credit quality institutions. Periodically, such investments may be in excess of federally insured limits.

Restricted cash

Restricted cash as of June 30, 2022 amounted to \$28,527 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 Education.

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, 2022, 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.

Hively
Notes to Financial Statements
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

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, 2022.

Accrued vacation

Accrued vacation represents vacation earned, but not taken as of June 30, 2022, and is included in accrued expenses in the accompanying statement of financial position. The accrued vacation balance as of June 30, 2022 was \$137,329.

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, 2022 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, the State of California Department of Education, Child Development Division, and the County of Alameda, and from donor contributions, parent fees, and other income.

Contributions and promises to give are reported as net assets without donor restrictions or net assets with donor restrictions. Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the barrier has been overcome and right of release/right of return no longer exists. Contributions that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and current aging of contributions receivable. Contributions receivable at June 30, 2022 amounted to \$437,760 and consists of contributed use of office space. Management did not consider an allowance for doubtful contributions to be necessary at June 30, 2022.

Hively
Notes to Financial Statements
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

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 \$22,398,689 that have not been recognized at June 30, 2022 because qualifying expenditures have not yet been incurred, with an advance payment of \$1,207,713 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, 2022 totaled \$19,878.

Functional allocation of expenses

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

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

Income tax status

The Agency is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 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.

Hively
Notes to Financial Statements
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status (continued)

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, 2022.

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, 2021, from which the summarized information was derived.

Subsequent events

The Agency has evaluated subsequent events through December 14, 2022, 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.

Hively
Notes to Financial Statements
June 30, 2022

3. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

Office equipment	\$ 199,770
Furniture and fixtures	112,401
Leasehold improvements	21,261
Software	<u>20,280</u>
	353,712
Accumulated depreciation and amortization	<u>(333,397)</u>
	<u><u>\$ 20,315</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, 2022 was \$13,561.

4. CDE RESERVE

Child development contractors with the California Department of Education ("CDE") 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 the CDE.

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 the CDE, reserve fund balances must be returned to the CDE and/or the California Department of Social Services.

The reserve amounts accrued at June 30, 2022 for the Alternative Payment and Resource and Referral programs were \$76,355 and \$6,395, respectively.

5. COMMITMENTS AND CONTINGENCIES

Commitments

The Agency leases various facilities and equipment under operating leases with various terms.

Hively
Notes to Financial Statements
June 30, 2022

5. COMMITMENTS AND CONTINGENCIES (continued)

Commitments (continued)

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

Year ending June 30,

2023	\$ 544,965
2024	497,778
2025	308,738
2026	<u>311,823</u>
	<u><u>\$ 1,663,304</u></u>

Rent expense for the year ended June 30, 2022 amounted to \$585,292.

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, 2022. 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.

6. 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, 2022, the Agency contributed \$170,068 to the Plan.

7. 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.

Hively
Notes to Financial Statements
June 30, 2022

7. COST ALLOCATION PLAN (continued)

Direct Cost Pool (continued)

- *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.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Family Services of San Leandro	\$ 263,052
In-kind lease	437,760
Sunlight Giving	<u>30,000</u>
	<u><u>\$ 730,812</u></u>

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

Family Services of San Leandro	\$ 63,815
In-kind lease	<u>36,480</u>
	<u><u>\$ 100,295</u></u>

9. 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 \$58,136 during the year ended June 30, 2022.

Hively
Notes to Financial Statements
June 30, 2022

10. 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, 2022 to fund general expenditures and other obligations when they become due:

Financial assets	
Cash and cash equivalents	\$ 5,626,694
Contributions and grants receivable	2,270,579
Other accounts receivable	<u>45,812</u>
	<u>7,943,085</u>
Less: amounts unavailable for general expenditures within one year	
Net assets with donor restrictions	(730,812)
Deposit related to the CalWORKs contract	<u>(1,400,000)</u>
	<u>(2,130,812)</u>
	<u><u>\$ 5,812,273</u></u>

11. 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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated December 14, 2022.

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 written in a cursive, flowing style.

Armanino^{LLP}
San Francisco, California

December 14, 2022

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, 2022. 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, 2022.

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 stylized, with the first letters of the first and last names being capitalized and prominent.

Armanino^{LLP}
San Francisco, California

December 14, 2022

Hively
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2022

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-1002	\$ 1,411,344
Child Care and Development Fund Alternative Payment	93.575	CAPP-0004	3,372,424
Child Care and Development Block Grant, Stage 2	93.575	C2AP-1002	280,594
Child Care and Development Block Grant	93.575	CRRP-1002	121,599
Child Care Initiative Project	93.575	CCIP-1001	26,000
Child Care and Development Block Grant Health and Safety Training	93.575	CHST-1001	5,498
Total Child Care and Development Block Grant			<u>5,217,459</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-0004	2,830,198
			<u>2,830,198</u>
Pass-through program from the County of Alameda:			
Child Care and Development Fund Alternative Payment	93.596	CAPP-1003	238,526
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			<u>3,068,724</u>
Total CCDF Cluster			<u>8,286,183</u>
Temporary Assistance for Needy Families			
Pass-through from the State of California:			
Child Care and Development Fund Alternative Payment	93.558	18418	4,108,250
Pass-through program from:			
Total Temporary Assistance for Needy Families			<u>4,108,250</u>
Child Care Allowance Program	93.658	FCCCAP 2017- 2020	143,982
Total Foster Care _Title IV-E			<u>143,982</u>
Total U.S. Department of Health and Human Services			<u>12,538,415</u>
Total Expenditures of Federal Awards			<u>12,538,415</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, 2022

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 Education - Child Development			
Alternative payment, State portion		CAPP-0004	2,046,825
Contingency funding, Stage 2		C2AP-1002	587,547
Stipend funding			774,478
Contingency funding, Stage 3		C3AP-1002	1,329,525
Resource and Referral - general, State portion		CRRP-1002	163,563
Child Care Initiative project		CCIP-1001	2,503
			<u>4,904,441</u>
Pass-through from the County of Alameda:			
Alternative payment general		CAPP-1003	2,442,100
Alternative payment		CAPP-1003	116,378
CalWORKs Stage 1, state portion		18418	4,108,250
			<u>6,666,728</u>
Pass-through from First 5 Alameda County:			
Quality Counts/Inclusion Project/Training Coordinator		PI-ECE-1820- 223	110,000
Family, Friend and Neighbor (FFN) Pilot Program		PI-ECE-1820- 223	80,000
			<u>190,000</u>
 Total State of California			 <u>11,761,169</u>
 Total Expenditures of State Awards			 <u>11,761,169</u>
 Total Expenditures of Federal and State Awards			 <u>\$ 24,299,584</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, 2022

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, 2022. 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 Education. 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, 2022

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>
Temporary Assistance for Needy Families	93.558
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, 2022

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, 2022

There were no prior year findings.

SUPPORTING SCHEDULES REQUIRED BY THE CALIFORNIA DEPARTMENT OF EDUCATION
AND THE CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

Hively
General Information
For the Year Ended June 30, 2022

Center Name	Hively
Contract Numbers	CAPP-0004 CAPP-1003 C2AP-1002 C3AP-1002 CHST-1001 CRRP-1002 CCIP-1001
Type of Agency	California Nonprofit Public Benefit Corporation
Address	Agency: 6601 Owens Drive, Suite 100 Pleasanton, CA 94588
Name of Executive Director	Mary Hekl
Audit Period	For the year ended June 30, 2022
Number of Operations Days of Agency	246
Scheduled Daily Hours of Operation	Varies

Hively
Operating Programs - Schedule of Financial Position
June 30, 2022

ASSETS

	<u>Child Care Subsidy Programs</u>		CDE					
	CDE Programs	County of Alameda Programs	Resource and Referral Programs	Other Programs	Mental Health	General Programs	Eliminating Entries	Total
Current assets								
Cash and cash equivalents	\$ 3,535,814	\$ 3,051,940	\$ 142,923	\$,077,276	\$ 182,022	\$ (2,363,181)	\$ -	\$ 5,626,794
Restricted cash	22,369	-	6,058	-	-	-	-	28,427
Accounts receivable								
Grant	240,847	1,194,908	67,841	242,794	56,428	30,000	-	1,832,818
Parent fees	17,345	(1,637)	-	-	-	(18)	-	15,690
Other receivable	10,761	-	-	-	1,078	18,284	-	30,123
Contributions	-	-	-	-	36,480	-	-	36,480
Interfund receivables	8,800,513	1,470,265	118,427	281,518	103,216	5,005,680	(15,779,619)	-
Prepaid expenses	-	-	-	-	-	135,215	-	135,215
Total current assets	<u>12,627,649</u>	<u>5,715,476</u>	<u>335,249</u>	<u>,601,588</u>	<u>379,224</u>	<u>2,825,980</u>	<u>(15,779,619)</u>	<u>7,705,547</u>
Contributions receivable	-	-	-	-	401,280	-	-	401,280
Property and equipment, net	1,855	8,837	1,000	-	8,622	1	-	20,315
Deposits	-	-	-	-	-	50,149	-	50,149
Total	<u>1,855</u>	<u>8,837</u>	<u>1,000</u>	<u>-</u>	<u>409,902</u>	<u>50,150</u>	<u>-</u>	<u>471,744</u>
 Total assets	<u>\$ 12,629,504</u>	<u>\$ 5,724,313</u>	<u>\$ 336,249</u>	<u>\$,601,588</u>	<u>\$ 789,126</u>	<u>\$ 2,876,130</u>	<u>\$ (15,779,619)</u>	<u>\$ 8,177,291</u>

LIABILITIES AND NET ASSETS

Current liabilities								
Accounts payable	\$ 1,520,288	\$ 603,267	\$ (1,577)	\$ 3,465	\$ 4,101	\$ 206,009	\$ -	\$ 2,335,553
Accrued expenses	337,942	282,884	21,262	29,929	57,145	(359,454)	-	369,708
Interfund payables	9,501,037	2,754,822	232,979	,066,852	2,058	2,221,871	(15,779,619)	-
Contract advances	843,853	-	-	363,860	-	-	-	1,207,713
CDE reserve	76,355	-	6,395	-	-	-	-	82,750
Total current liabilities	<u>12,279,475</u>	<u>3,640,973</u>	<u>259,059</u>	<u>,464,106</u>	<u>63,304</u>	<u>2,068,426</u>	<u>(15,779,619)</u>	<u>3,995,724</u>
Deferred rent	-	-	-	-	23,401	23,274	-	46,675
Contract advance	-	1,400,000	-	-	-	-	-	1,400,000
Total liabilities	<u>12,279,475</u>	<u>5,040,973</u>	<u>259,059</u>	<u>,464,106</u>	<u>86,705</u>	<u>2,091,700</u>	<u>(15,779,619)</u>	<u>5,442,399</u>
Total net assets - operations	<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>-</u>	<u>2,734,892</u>
 Total liabilities and net assets	<u>\$ 12,629,504</u>	<u>\$ 5,724,313</u>	<u>\$ 336,249</u>	<u>\$,601,588</u>	<u>\$ 789,126</u>	<u>\$ 2,876,130</u>	<u>\$ (15,779,619)</u>	<u>\$ 8,177,291</u>

Hively
Operating Programs - Schedule of Activities and Changes in Net Assets
For the Year Ended June 30, 2022

	CDE Programs	County of Alameda	CDE Resource and Referral Programs	Other Programs	Mental Health	General Programs	Total
Support and revenue							
Contract revenue	\$14,295,407	\$ 8,712,752	\$ 318,274	\$ 1,235,821	\$ 291,251	\$ 2,500	\$ 24,856,005
Parent fees	813	-	-	-	-	-	813
Contributions	-	-	-	-	-	265,141	265,141
In-kind revenue	-	-	-	-	-	58,136	58,136
Program service fees	-	-	-	-	31,354	-	31,354
Interest	4,337	2,634	113	-	35	2,418	9,537
Other revenue	-	-	780	-	23	23,780	24,583
Total support and revenue	<u>14,300,557</u>	<u>8,715,386</u>	<u>319,167</u>	<u>1,235,821</u>	<u>322,663</u>	<u>351,975</u>	<u>25,245,569</u>
Expenditures							
Provider payments	12,219,806	6,935,059	-	-	-	5,942	19,160,807
Certified salaries	478,986	644,144	106,852	241,965	214,525	-	1,686,472
Classified salaries	528,120	289,802	12,614	29,797	17,598	-	877,931
Employee benefits	246,561	245,339	31,346	59,841	39,850	1,294	624,231
Books and supplies	211,501	49,660	41,615	808,082	22,470	151,363	1,284,691
Service and other operating expense	615,583	551,382	126,740	58,611	127,796	58,522	1,538,634
In kind expenses	-	-	-	-	-	58,136	58,136
Depreciation	-	-	-	-	719	12,842	13,561
Total expenditures	<u>14,300,557</u>	<u>8,715,386</u>	<u>319,167</u>	<u>1,198,296</u>	<u>422,958</u>	<u>288,099</u>	<u>25,244,463</u>
Changes in net assets	-	-	-	37,525	(100,295)	63,876	1,106
Net assets, beginning of year	<u>350,029</u>	<u>683,340</u>	<u>77,190</u>	<u>99,957</u>	<u>802,716</u>	<u>720,554</u>	<u>2,733,786</u>
Net assets, end 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>

Hively
Combining Schedule of Activities - County of Alameda Programs
For the Year Ended June 30, 2022

	Alameda County <u>CAPP-1000</u>	Alameda County <u>FCCCAP</u>	Alameda County CDSS <u>Stage 1</u>	Combining Schedule of County of Alameda Programs
Support and revenue				
State of California	\$ 354,800	\$ -	\$ -	\$ 354,800
County of Alameda	-	143,982	8,213,970	8,357,952
Interest income	<u>104</u>	<u>-</u>	<u>2,530</u>	<u>2,634</u>
Total support and revenue	<u>354,904</u>	<u>143,982</u>	<u>8,216,500</u>	<u>8,715,386</u>
Expenditures				
Provider payments	292,796	80,638	6,561,624	6,935,058
Certified salaries	13,648	17,582	612,914	644,144
Classified salaries	15,835	22,604	251,363	289,802
Employee benefits	7,218	8,922	229,199	245,339
Books and supplies	2,705	1,806	45,149	49,660
Service and other operating expense	<u>22,702</u>	<u>12,430</u>	<u>516,251</u>	<u>551,383</u>
Total expenditures	<u>354,904</u>	<u>143,982</u>	<u>8,216,500</u>	<u>8,715,386</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, 2022

	General CAPP-0004	General CAPP-1003	CalWORKs Stage 2 C2AP-1002	CalWORKs Stage 3 Timing Out C3AP-1002	Total CDE Alternative Payment
Support and revenue					
State of California	\$ 5,813,599	\$ 4,876,235	\$ 867,942	\$ 2,737,631	\$ 14,295,407
Parent fees	(658)	-	(257)	1,728	813
Interest income	<u>1,583</u>	<u>788</u>	<u>456</u>	<u>1,510</u>	<u>4,337</u>
Total support and revenue	<u>5,814,524</u>	<u>4,877,023</u>	<u>868,141</u>	<u>2,740,869</u>	<u>14,300,557</u>
Expenditures					
Provider payments	4,949,474	4,253,447	718,642	2,298,244	12,219,807
Certified salaries	214,054	129,533	26,479	108,920	478,986
Classified salaries	318,330	71,559	26,021	112,209	528,119
Employee benefits	97,685	73,054	17,343	58,479	246,561
Books and supplies	22,111	137,247	10,119	42,024	211,501
Service and other operating expenses	<u>212,870</u>	<u>212,183</u>	<u>69,537</u>	<u>120,993</u>	<u>615,583</u>
Total expenditures	<u>5,814,524</u>	<u>4,877,023</u>	<u>868,141</u>	<u>2,740,869</u>	<u>14,300,557</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, 2022

	Resource and Referral CRRP-1002	CCDBG Child Care Initiative Project CCIP- 1001	CCDBG Health and Safety CHST- 1001	Total CDE Resource and Referral
Support and revenue				
State of California	\$ 284,273	\$ 23,497	\$ 5,498	\$ 313,268
Matching funds	-	5,006	-	5,006
Interest income	109	4	-	113
Other income	780	-	-	780
Total support and revenue	<u>285,162</u>	<u>28,507</u>	<u>5,498</u>	<u>319,167</u>
Expenditures				
Certified salaries	87,730	18,541	580	106,851
Classified salaries	12,615	-	-	12,615
Employee benefits	26,585	4,603	158	31,346
Books and supplies	41,036	579	-	41,615
Service and other operating expense	117,196	4,784	4,760	126,740
Total expenditures	<u>285,162</u>	<u>28,507</u>	<u>5,498</u>	<u>319,167</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hively
Combining Schedule of Administrative Costs - CDE Programs
For the Year Ended June 30, 2022

	General Program <u>CAPP-0004</u>	General Program <u>CAPP-1003</u>	CalWORKs Stage 2 <u>C2AP-1002</u>	CalWORKs Stage 3 Timing Out <u>C3AP-1002</u>	Contract through Alameda County <u>CAPP-1000</u>	<u>Total</u>
Administrative costs						
Salaries and wages	\$ 282,758	\$ 107,131	\$ 26,021	\$ 112,209	\$ 15,835	\$ 543,954
Employee benefits	57,950	31,549	7,448	27,141	3,735	127,823
Books and supplies	23,631	14,993	5,353	11,315	871	56,163
Operating expenses	<u>79,198</u>	<u>166,798</u>	<u>40,396</u>	<u>73,148</u>	<u>12,329</u>	<u>371,869</u>
Total administrative costs	<u>\$ 443,537</u>	<u>\$ 320,471</u>	<u>\$ 79,218</u>	<u>\$ 223,813</u>	<u>\$ 32,770</u>	<u>\$ 1,099,809</u>

Hively
Schedule of Reimbursable Equipment Expenditures
For the Year Ended June 30, 2022

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, 2022

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, 2022

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, 2022.

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, 2022.

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, 2022.

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

Fiscal Year Ending

June 30, 2022

Contract Number

CAPP-0004

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 (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children (July-August) FY 2020-21 USE ONLY*				
Waived Family Fees for Certified Children (Sept.-June FY 2020-21 and FY 2021-22)*				
Family Fees Collected for Certified Children			-658	-658
Interest Earned on Child Development Apportionment Payments		1,583		1,583
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		1,583	-658	925

Contract Number

CAPP-0004

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		4,949,474		4,949,474
1000 Certificated Salaries		214,054		214,054
2000 Classified Salaries		318,330		318,330
3000 Employee Benefits		97,685		97,685
4000 Books and Supplies		22,111		22,111
5000 Services and Other Operating Expenses		212,870		212,870
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		5,814,524		5,814,524
Total Administrative Cost (included in Section 2 above)		443,537		443,537
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number

CAPP-0004

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-0004

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			-658	-658
Interest Earned on Child Development Apportionment Payments		1,583		1,583
Direct Payments to Providers		4,949,474		4,949,474
Total Administrative Cost		443,537		443,537
Days of Operation		246		246
Total Reimbursable Expenses		5,814,524		5,814,524

Comments:

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

Fiscal Year Ending

June 30, 2022

Contract Number

CAPP-1000

Vendor Code

01-0B388-00

Full Name of Contractor **Hively - on behalf of Alameda County Department of Social Services**

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 (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children (July-August) FY 2020-21 USE ONLY*				
Waived Family Fees for Certified Children (Sept.-June FY 2020-21 and FY 2021-22)*				
Family Fees Collected for Certified Children	50,118			50,118
Interest Earned on Child Development Apportionment Payments	62	104		166
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)	50,180	104		50,284

Contract Number

CAPP-1000

Full Name of Contractor **Hively - on behalf of Alameda County Department of Social Services****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	634,169	292,796		926,965
1000 Certificated Salaries	32,423	13,648		46,071
2000 Classified Salaries	26,381	15,835		42,216
3000 Employee Benefits	14,524	7,218		21,742
4000 Books and Supplies	4,274	2,705		6,979
5000 Services and Other Operating Expenses	28,574	22,702		51,276
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	740,345	354,904		1,095,249
Total Administrative Cost (included in Section 2 above)	53,624			53,624
Days of Operation	246			246

Approved Indirect Cost Rate:

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

Contract Number

CAPP-1000

Full Name of Contractor Hively - on behalf of Alameda County Department of Social Services

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-1000

Full Name of Contractor

Hively - on behalf of Alameda County Department of Social Services

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	50,118			50,118
Interest Earned on Child Development Apportionment Payments	62	104		166
Direct Payments to Providers	634,169	292,796		926,965
Total Administrative Cost	53,624			53,624
Days of Operation	246			246
Total Reimbursable Expenses	740,345	354,904		1,095,249

Comments:

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

Fiscal Year Ending

June 30, 2022

Contract Number

CAPP-1003

Vendor Code

1-0B388-00

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 (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children (July-August) FY 2020-21 USE ONLY*				
Waived Family Fees for Certified Children (Sept.-June FY 2020-21 and FY 2021-22)*				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		788		788
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		788		788

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		4,253,447
1000 Certificated Salaries		129,533		129,533
2000 Classified Salaries		71,559		71,559
3000 Employee Benefits		73,054		73,054
4000 Books and Supplies		137,247		137,247
5000 Services and Other Operating Expenses		212,183		212,183
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		4,877,023
Total Administrative Cost (included in Section 2 above)		320,471		320,471
Days of Operation		246		246

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				
Interest Earned on Child Development Apportionment Payments		788		788
Direct Payments to Providers		4,253,447		4,253,447
Total Administrative Cost		320,471		320,471
Days of Operation		246		246
Total Reimbursable Expenses		4,877,023		4,877,023

Comments:

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

Fiscal Year Ending

June 30, 2022

Contract Number

C2AP-1002

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 (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children (July-August) FY 2020-21 USE ONLY*				
Waived Family Fees for Certified Children (Sept.-June FY 2020-21 and FY 2021-22)*				
Family Fees Collected for Certified Children			-257	-257
Interest Earned on Child Development Apportionment Payments		456		456
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		456	-257	199

Contract Number

C2AP-1002

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		718,641	1	718,642
1000 Certificated Salaries		26,479		26,479
2000 Classified Salaries		26,021		26,021
3000 Employee Benefits		17,343		17,343
4000 Books and Supplies		10,119		10,119
5000 Services and Other Operating Expenses		69,537		69,537
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		868,140	1	868,141
Total Administrative Cost (included in Section 2 above)		79,218		79,218
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number

C2AP-1002

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-1002

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			-257	-257
Interest Earned on Child Development Apportionment Payments		456		456
Direct Payments to Providers		718,641	1	718,642
Total Administrative Cost		79,218		79,218
Days of Operation		246		246
Total Reimbursable Expenses		868,140	1	868,141

Comments:

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

Fiscal Year Ending

June 30, 2022

Contract Number

C3AP-1002

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 (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children (July-August) FY 2020-21 USE ONLY*				
Waived Family Fees for Certified Children (Sept.-June FY 2020-21 and FY 2021-22)*				
Family Fees Collected for Certified Children			1,728	1,728
Interest Earned on Child Development Apportionment Payments		1,510		1,510
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		1,510	1,728	3,238

Contract Number

C3AP-1002

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		2,298,244		2,298,244
1000 Certificated Salaries		108,920		108,920
2000 Classified Salaries		112,210	-1	112,209
3000 Employee Benefits		58,479		58,479
4000 Books and Supplies		42,023	1	42,024
5000 Services and Other Operating Expenses		120,992	1	120,993
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		2,740,868	1	2,740,869
Total Administrative Cost (included in Section 2 above)		223,813		223,813
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number

C3AP-1002

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-1002

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			1,728	1,728
Interest Earned on Child Development Apportionment Payments		1,510		1,510
Direct Payments to Providers		2,298,244		2,298,244
Total Administrative Cost		223,813		223,813
Days of Operation		246		246
Total Reimbursable Expenses		2,740,868	1	2,740,869

Comments:

Contractor Name: Hively

**California Department of Education
Audited Fiscal Report for
California State Preschool Program Support Contracts**

Contract Number: CHST-1001

Fiscal Year Ended: June 30, 2022

Vendor Code: 01-0B388-00

Section 1 – Revenue

Restricted Income	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
County Maintenance of Effort (EC Section 8279)			0
Other:			0
TOTAL RESTRICTED INCOME	0	0	0

Other Income	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
Interest Earned on Apportionment Payments			0
Unrestricted Income – Other:			0

Comments:

Section 2 – Reimbursable Expenses

Cost Category	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	581		581
2000 Classified Salaries			0
3000 Employee Benefits	157		157
4000 Books and Supplies			0
5000 Services and Other Operating Expenses	4,760		4,760
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
Depreciation or Use Allowance			0
Indirect Costs (include in Total Administrative Cost)			0
TOTAL REIMBURSABLE EXPENSES	5,498	0	5,498

Specific Item of Reimbursable Expenses	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
Total Administrative Cost (included in Reimbursable Expenses)			0

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

Section 3 – Supplemental Funding

Supplemental Revenue	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			0
Other:			0
Other:			0
TOTAL SUPPLEMENTAL REVENUE	0	0	0

Supplemental Expenses	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses			0
6000 Equipment / Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses			0
TOTAL SUPPLEMENTAL EXPENSES	0	0	0

Section 4 – Summary

Description	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income	0	0	0
Interest Earned on Apportionment Payments	0	0	0
Total Reimbursable Expenses	5,498	0	5,498
Total Administrative Cost	0	0	0
Non-Reimbursable Cost (State Use Only)	N/A	N/A	

Does the Contractor have an indirect cost rate approved by its cognizant agency? (Select YES or NO) ☐ Yes ☒ No

Approved Indirect Cost Rate:

Full Name of Contractor

Hively

Section 1 - Revenue

	Column A Cumulative CDNFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Transfer from Reserve (resource & referral only)			
Interest Earned on Child Development Apportionment Payments	109		109
Unrestricted Income - Other:	780		780
Total Revenue	889		889

Contract Number

CRRP-1002

Full Name of Contractor

Hively

Section 2 - Reimbursable Expenses

	Column A Cumulative CDNFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	87,730		87,730
2000 Classified Salaries	12,615		12,615
3000 Employee Benefits	26,585		26,585
4000 Books and Supplies	41,036		41,036
5000 Services and Other Operating Expenses	117,196		117,196
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	285,162		285,162

Approved Indirect Cost Rate:

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

Contract Number

CRRP-1002

Full Name of Contractor

Hively

Section 3 - Supplemental Revenue

	Column A Cumulative 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 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-1002

Full Name of Contractor Hively

Section 5 - Summary

	Column A Cumulative CDNFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income			
Transfer from Reserve			
Interest Earned on Apportionment Payments	109		109
Total Reimbursable Expenses	285,162		285,162

Comments:

Contractor Name: Hively

**California Department of Education
Audited Fiscal Report for
California State Preschool Program Support Contracts**

Contract Number: CCIP-1001

Fiscal Year Ended: June 30, 2022

Vendor Code: 01-0B388-00

Section 1 – Revenue

Restricted Income	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
County Maintenance of Effort (EC Section 8279)			0
Other:			0
TOTAL RESTRICTED INCOME	0	0	0

Other Income	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
Interest Earned on Apportionment Payments	4		4
Unrestricted Income – Other:			0

Comments:

Section 2 – Reimbursable Expenses

Cost Category	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	21,906	(3,365)	18,541
2000 Classified Salaries			0
3000 Employee Benefits	5,464	(861)	4,603
4000 Books and Supplies	702	(123)	579
5000 Services and Other Operating Expenses	5,441	(657)	4,784
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
Depreciation or Use Allowance			0
Indirect Costs (include in Total Administrative Cost)			0
TOTAL REIMBURSABLE EXPENSES	33,513	(5,006)	28,507

Specific Item of Reimbursable Expenses	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
Total Administrative Cost (included in Reimbursable Expenses)			0

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

Section 3 – Supplemental Funding

Supplemental Revenue	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			0
Other:			0
Other:			0
TOTAL SUPPLEMENTAL REVENUE	0	0	0

Supplemental Expenses	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses			0
6000 Equipment / Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses			0
TOTAL SUPPLEMENTAL EXPENSES	0	0	0

Section 4 – Summary

Description	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income	0	0	0
Interest Earned on Apportionment Payments	4	0	4
Total Reimbursable Expenses	33,513	(5,006)	28,507
Total Administrative Cost	0	0	0
Non-Reimbursable Cost (State Use Only)	N/A	N/A	

Does the Contractor have an indirect cost rate approved by its cognizant agency? (Select YES or NO) ☐ Yes ☒ No

Approved Indirect Cost Rate: