

**CITY OF SAN RAFAEL  
CHILD DEVELOPMENT PROGRAM  
BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**CITY OF SAN RAFAEL  
CHILD DEVELOPMENT PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council  
City of San Rafael, California

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the accompanying financial statements of the City of San Rafael Child Development Program (Program) of the City of San Rafael, California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Program as of June 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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 the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management's 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 the financial statements that are free from material misstatement, whether due to fraud or error.

#### ***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 are considered material if, individually or in the aggregate, they could reasonably be expected to 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 the Program'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.

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 opinions on the basic financial statements that collectively comprise the Program's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures and in conformity with the *CDE Audit Guide*, issued by the California Department of Education, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2022 on our consideration of the Program'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 solely 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 Program'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 Program's internal control over financial reporting and compliance.



Pleasant Hill, California  
November 1, 2022

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM  
BALANCE SHEET  
JUNE 30, 2022

ASSETS

Cash (Note 3)	\$340,211
Accounts receivable	16,509
Grants receivable (Note 4)	<u>104,375</u>
Total Assets	<u><u>\$461,095</u></u>

LIABILITIES AND FUND BALANCE

Accounts payable	\$29,723
Unearned grant and State reserves	<u>79,842</u>
Total Liabilities	109,565
Fund balance, restricted (Note 5)	<u>351,530</u>
Total Liabilities and Fund Balance	<u><u>\$461,095</u></u>

See accompanying notes to financial statements

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2022

REVENUES

Restricted:		
State grants:		
Current year grants	\$320,598	
First five school readiness grants	106,098	
Local grant	77,962	
Unrestricted:		
Interest	1,461	
Parent fees	2,669,140	
Other	9,720	
Total Revenues		3,184,979

EXPENDITURES

Certified salaries	68,244
Classified Salaries	1,592,151
Employee benefits	1,157,961
Training and instruction	6,738
Office supplies	419
Books and supplies	130,946
Utilities and housekeeping services	27,511
Rentals	16,723
Travel and conference	1,604
Services and other operating expenditures	187,399
Equipment	52,097
Insurance	28,490
Renovation and repair	71,216
Total Expenditures	3,341,499

CHANGE IN FUND BALANCE (156,520)

FUND BALANCE,

Beginning of year	508,050
End of year	\$351,530

See accompanying notes to financial statements



**CITY OF SAN RAFAEL  
CHILD DEVELOPMENT PROGRAM  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2022**

**NOTE 1 - ORGANIZATION**

The City of San Rafael operates the Child Development Program encompassing eight childcare centers within the City of San Rafael. One of these centers provides day care services to subsidized families under the Child Development Program funded by the California Department of Education, which includes the Preschool program. The City is financially accountable for the activities of the Program. The Program has no employees and substantially all staff services which it requires are performed by the City's personnel. Costs incurred by the City to provide such services including compensation, retirement, and other benefit costs are reimbursed by the Program. These basic financial statements present only the activities of the Program and are not intended to present the financial position of the City of San Rafael, California, or the results of its operations. The financial statements of the Program are included as a Special Revenue Fund in the City's financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Basis of Accounting***

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for on a spending or "current financial resources" measurement focus. Accordingly, only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increases (revenues and other financial sources) and decreases (expenditures and other financial uses) in net current assets.

The Program's financial activities are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. Revenues considered susceptible to accrual include charges for services, federal and state grants, and interest. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

**B. *Fund Balance***

Fund Balance is the excess of all the Program's assets over all its liabilities.

**CITY OF SAN RAFAEL  
CHILD DEVELOPMENT PROGRAM  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2022**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**NOTE 3 - CASH AND INVESTMENTS**

The Program's cash is included in a City-wide cash and investment pool, the details of which are presented in the City's basic financial statements. The Program pools cash from all sources with the City of San Rafael so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. The City's investment policy and the California Government Code permit investments in Securities of the U.S. Government or its agencies, Certificates of Deposit, Negotiable Certificates of Deposit, Banker's Acceptances, Commercial Paper, the State of California Local Authority Investment Fund (LAIF Pool), Repurchase Agreements, Medium-Term Corporate Notes, Limited Obligation Improvement Bonds related to special assessment districts and special tax districts, and Money Market/Mutual Funds.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City of San Rafael pooled investments is an uncategorized input not defined as Level 1, Level 2, or Level 3 input.

**CITY OF SAN RAFAEL  
CHILD DEVELOPMENT PROGRAM  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2022**

**NOTE 4 – GRANTS RECEIVABLE**

The Program has the following grants receivable at June 30, 2022:

Agency	Grant	Amount
Marin County	First 5 Grant	\$36,622
California Department of Education	State Preschool Program	67,753
	Total	<u>\$104,375</u>

**NOTE 5 – FUND BALANCES**

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund’s cash and receivables, less its liabilities.

The City’s fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint.

*Nonspendable* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the City’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes nonspendables, when it is the City’s intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

**CITY OF SAN RAFAEL**  
**CHILD DEVELOPMENT PROGRAM**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 6 – CONTINGENCIES AND COMMITMENTS**

The Program participates in Federal, State and County grant programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2022, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

**SUPPLEMENTARY INFORMATION**

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM  
SCHEDULE OF FEDERAL, STATE AND LOCAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

Program	Federal Assistance Listing Number	Pass-Through Identifying Number	Award Amount	Revenue	Expenditures
<b>Federal Awards</b>					
US Department of Housing and Urban Development, Due from State Pass-through the County of Marin Community Development Block Grant	14.218	40CDBG22CD4527	\$21,941	\$21,941	\$21,941
US Department of Health and Human Services Pass-through State of California, Department of Education Child Care and Development Block Grant ARPA -- Stabilization Stipend COVID 19 -- CRRSA Stipend	93.575	Not available 004-0045655	27,600 24,806		
Total Federal Awards			<u>\$74,347</u>	<u>\$21,941</u>	<u>\$21,941</u>
<b>State Awards</b>					
Child Development Division State Preschool Program FY2022		CSPP-1283	\$328,967	\$320,598	\$320,598
Total State Awards			<u>\$328,967</u>	<u>\$320,598</u>	<u>\$320,598</u>
<b>County Award</b>					
County of Marin First Five - Preschool 2021 Honorary CSPP QRIS Block Grant		CSRI-21-009-11 N/A	\$106,098 \$5,106	\$106,098 \$5,106	\$106,098 \$5,106
Total County Awards			<u>\$111,204</u>	<u>\$111,204</u>	<u>\$111,204</u>
<b>Local Awards</b>					
Marin Child Care Council		N/A	\$50,915	\$50,915	\$50,915
Total Local Awards			<u>\$50,915</u>	<u>\$50,915</u>	<u>\$50,915</u>
Total State, Federal Awards, and Local			<u>\$560,327</u>	<u>\$499,552</u>	<u>\$499,552</u>

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 2022

	State Preschool Program (CSPP1283)	Total CDE CD Contracts	Non-CDE Programs	Total
<b>REVENUES</b>				
Restricted:				
State grants:				
Current year grants	\$320,598	\$320,598		\$320,598
CDBG preschool grant				
First Five school readiness grants			\$106,098	106,098
Local grants			77,962	77,962
Unrestricted:				
Interest			1,461	1,461
Parent fees - noncertified children			2,669,140	2,669,140
Other			9,720	9,720
	<u>320,598</u>	<u>320,598</u>	<u>2,864,381</u>	<u>3,184,979</u>
Total Revenues				
<b>EXPENDITURES</b>				
Certified salaries	68,244	68,244		68,244
Classified salaries	86,266	86,266	1,505,885	1,592,151
Employee benefits	135,855	135,855	1,022,106	1,157,961
Training and instruction			6,738	6,738
Office supplies			419	419
Books and supplies	12,325	12,325	118,621	130,946
Utilities and housekeeping services			27,511	27,511
Travel and conference			1,604	1,604
Rentals			16,723	16,723
Services and other operating expenditures	17,908	17,908	169,491	187,399
Equipment			52,097	52,097
Insurance			28,490	28,490
Renovation and repair			71,216	71,216
	<u>320,598</u>	<u>320,598</u>	<u>3,020,901</u>	<u>3,341,499</u>
Total Expenditures				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			<u>(156,520)</u>	<u>(156,520)</u>
<b>CHANGE IN FUND BALANCE</b>			<u>(\$156,520)</u>	<u>(\$156,520)</u>

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM  
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES  
FOR THE YEAR ENDED JUNE 30, 2022

		CSPP-1283 State Preschool Program	Totals
EXPENDITURES:			
1000	Certified personnel salaries	\$68,244	\$68,244
	Due from State		
1100	Teachers' salaries	68,244	68,244
1200	Administration		
1300	Supervisors' salaries		
1600	Infant educators		
2001	Classified personnel salaries	\$86,266	\$86,266
2100	Instructional aides' salaries	86,266	86,266
2300	Clerical and other office salaries		
2500	Food services salaries		
2600	Transportation salaries		
3000	Employee benefits	\$135,855	\$135,855
3200	Payroll taxes (Medicare)	2,050	2,050
3300	Other benefits	95,140	95,140
3400	Health and welfare	36,965	36,965
3600	Workers' compensation insurance	1,700	1,700
4000	Books and supplies	\$12,325	\$12,325
4200	Other books		
4300	Instructional materials and supplies	12,325	12,325
4500	Other supplies		
4600	Food supplies		
5000	Services and other operating expenditures	\$17,908	\$17,908
5100	Lecturer		
5200	Travel and conferences		
5300	Memberships and dues		
5400	Insurance	1,041	1,041
5500	Utilities and housekeeping services	59	59
5600	Rentals, leases and repairs		
5700	Audit expense		
5800	Other direct services & admin.	16,808	16,808
6000	Capital Outlay		
6100	Sites and improvements of sites		
6200	Buildings and improvements of buildings		
6400	Equipment (program-related)		
6500	Equipment replacement (program related)		
Depreciation			
Costs capitalized as Fixed Assets			
<b>TOTAL OF REIMBURSABLE AND</b>			
<b>NONREIMBURSABLE EXPENDITURES</b>		<b>\$320,598</b>	<b>\$320,598</b>

We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.



CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM  
SCHEDULE OF CLAIMED ADMINISTRATIVE COSTS  
FOR THE YEAR ENDED JUNE 30, 2022

	CSPP-1283 State Preschool Program
Administrative Costs (Audit Fees)	<u>\$7,097</u>
Total Administrative Costs	<u><u>\$7,097</u></u>

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM  
 SCHEDULE OF CLAIMED EQUIPMENT EXPENDITURES  
 FOR THE YEAR ENDED JUNE 30, 2022

Expenditures Under \$7,500 Unit Cost		Expenditures Over \$7,500 Unit Cost with CDD Approval		Expenditures Over \$7,500 Unit Cost Without CDD Approval	
Cost	Item	Cost	Item	Cost	Item
	None		None		None

SCHEDULE OF RENOVATION AND REPAIR EXPENDITURES UTILIZING CONTRACT FUNDS

Expenditures Under \$10,000 Unit Cost		Expenditures Over \$7,500 Unit Cost with CDD Approval		Expenditures Over \$10,000 Unit Cost Without CDD Approval	
Cost	Item	Cost	Item	Cost	Item
	None		None		None

CITY OF SAN RAFAEL CHILD DEVELOPMENT PROGRAM

SCHEDULE OF CLAIMED EXPENDITURES FOR RENOVATIONS AND REPAIRS  
FOR THE YEAR ENDED JUNE 30, 2022

<u>Reimbursable Expenditures for Renovations and Repairs</u>	<u>CSPP-1283</u>
None	<u>\$0</u>
Total	<u><u>\$0</u></u>

Contractor Name: City of San Rafael Child Development Program

Contract Number: CSPP 1283

**California Department of Education  
Audited Enrollment, Attendance and Fiscal  
Report for California State Preschool Program**

Fiscal Year Ended: June 30, 2022

Vendor Code: 2193

**Section 1 – Number of Counties Where Services are Provided**

Number of counties where the agency provided services to certified children (Form 1): **1**

Number of counties where the agency provided mental health consultation services to certified children (Form 2): **0**

Number of counties where the agency provided services to non-certified children (Form 3): **0**

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4): **0**

Total enrollment and attendance forms to attach: **2**

Note: For each of the above categories, submit one July-December form and one form for each service county for January-June.

**Section 2 – Days of Enrollment, Attendance and Operation**

Enrollment and Attendance Form Summary	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	5,035		5,035	5,035.0000
Total Certified Days of Enrollment with Mental Health Consultation Services			0	
Days of Attendance (including MHCS)	5,012		5,012	N/A
Total Non-Certified Days of Enrollment			0	
Total Non-Certified Days of Enrollment with Mental Health Consultation Services			0	

Days of Operation	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Days of Operation	175		175	N/A

**Section 3 – Revenue**

Restricted Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Child Nutrition Programs			0
County Maintenance of Effort (EC Section 8279)			0
Other:			0
Other:			0
<b>TOTAL RESTRICTED INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>

Transfer from Reserve	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Transfer from Reserve			0

Other Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Waived Family Fees for Certified Children			0
Interest Earned on Child Development Apportionment Payments			0
Fees for Non-Certified Children			0
Unrestricted Income: Head Start			0
Other:			0
Other:			0

**Section 4 - Reimbursable Expenses**

Cost Category	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Direct Payments to Providers (FCCH only)			0
1000 Certificated Salaries	68,244		68,244
2000 Classified Salaries	86,266		86,266
3000 Employee Benefits	135,855		135,855
4000 Books and Supplies	12,325		12,325
5000 Services and Other Operating Expenses	17,908		17,908
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
Depreciation or Use Allowance			0
Start-up Expenses (service level exemption)			0
Indirect Costs (include in Total Administrative Cost)			0
<b>TOTAL REIMBURSABLE EXPENSES</b>	<b>320,598</b>	<b>0</b>	<b>320,598</b>

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

Approved Indirect Cost Rate:

Specific Items of Reimbursable Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Administrative Cost (included in Reimbursable Expenses)		7,097	7,097
Total Staff Training Cost (included in Reimbursable Expenses)			0

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 4.

**Section 5 - Supplemental Funding**

Supplemental Revenue	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Enhancement Funding	5,106		5,106
Other:			0
Other:			0
<b>TOTAL SUPPLEMENTAL REVENUE</b>	<b>5,106</b>	<b>0</b>	<b>5,106</b>

Supplemental Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
1000 Certificated Salaries			0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies	543		543
5000 Services and Other Operating Expenses			0
6000 Equipment / Capital Outlay	4,002		4,002
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses			0
<b>TOTAL SUPPLEMENTAL EXPENSES</b>	<b>4,545</b>	<b>0</b>	<b>4,545</b>

**Section 6 - Summary**

Description	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Certified Days of Enrollment (including MHCS)	5,035	0	5,035
Days of Operation	175	0	175
Days of Attendance (including MHCS)	5,012	0	5,012
Total Certified Adjusted Days of Enrollment	N/A	N/A	5,035.0000
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	0.0000
Restricted Program Income	0	0	0
Transfer from Reserve	0	0	0
Interest Earned on Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	320,598	0	320,598
Total Administrative Cost	0	7,097	7,097
Total Staff Training Cost	0	0	0
Non-Reimbursable Cost (State Use Only)	N/A	N/A	



**Section 7 – Auditor’s Assurances**

Independent auditor's assurances on agency's compliance with the contract funding terms and conditions and program requirements of the California Department of Education, Early Education Division:

Eligibility, enrollment and attendance records are being maintained as required (Select YES or NO):  Yes  No

Reimbursable expenses claimed in Section 4 are eligible for reimbursement, reasonable, necessary, and adequately supported (Select YES or NO):  Yes  No

**Section 8 – Comments**

Include any comments in the comment box. If necessary, attach additional sheets to explain adjustments.

Adjustments identified in Column B are adjustments made to report audit fees as administrative costs.

Contractor Name:

**Section 1 – Prior Year Reserve Account Activity**

1. Beginning Balance (2020–21 AUD 9530A Ending Balance):
2. Plus Transfers to Reserve Account:

2020–21 Contract No.	Per 2020–21 Post-Audit CDFS 9530
<b>Total Transferred from 2020–21 Contracts</b>	

3. Less Excess Reserve to be Billed:
4. 2020–21 CDFS 9530 Reserve Balance After Billing:

**Section 2 – Current Year Reserve Account Activity**

5. Plus Interest Earned This Year on Reserve:

Description	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
Interest Earned			

6. Less Transfers to Contracts from Reserve:

2021–22 Contract No.	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
<b>Total Transferred to Contracts</b>			

7. Ending Balance:

Description	Column A per CPARIS	Column B Audit Adjustments	Column C Total per Audit
Ending Balance on June 30, 2022			

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

**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 Honorable Members of the City Council  
City of San Rafael, 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 basic financial statements of the City of San Rafael Child Development Program (Program), California, as of and for the year ended June 30, 2022, and have issued our report thereon dated November 1, 2022.

***Report on Internal Control Over Financial Reporting***

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

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

As part of obtaining reasonable assurance about whether the Program'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 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 Program'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 Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pleasant Hill, California  
November 1, 2022

**CITY OF SAN RAFAEL  
CHILD DEVELOPMENT PROGRAM  
SUMMARY OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2022**

None noted.

**CITY OF SAN RAFAEL  
CHILD DEVELOPMENT PROGRAM  
CURRENT STATUS OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2022**

None noted.