

Peninsula Family Service

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

June 30, 2019

(With Comparative Totals for 2018)



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Peninsula Family Service
San Mateo, California

We have audited the accompanying consolidated financial statements of Peninsula Family Service (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Peninsula Family Service as of June 30, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 2 to the consolidated financial statements, the Organization has adopted ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the California Department of Education, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying supplementary information shown on pages 36 - 66 for California Department of Education is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 12, 2019, on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Peninsula Family Service's 2018 consolidated financial statements, and our report dated December 14, 2018 expressed an unmodified opinion on those audited consolidated financial statements. As part of our audit of the 2019 consolidated financial statements, we also audited the adjustments to the 2018 consolidated financial statements to apply the change in accounting principle discussed above. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, adjusted for the change in accounting principle discussed above, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived. Also, in our opinion, such adjustments are appropriate and have been properly applied.



Armanino^{LLP}
San Francisco, California

December 12, 2019

Peninsula Family Service
Consolidated Statement of Financial Position
June 30, 2019
(With Comparative Totals for 2018)

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 985,717	\$ 758,511
Accounts and grants receivable, net	1,041,348	1,222,335
Prepaid and other current assets	249,546	238,234
Total current assets	2,276,611	2,219,080
Noncurrent assets		
Property and equipment, net	4,355,766	4,625,039
Investments	2,406,170	2,293,536
Refundable deposits	2,701	2,701
Total noncurrent assets	6,764,637	6,921,276
Total assets	\$ 9,041,248	\$ 9,140,356
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 425,868	\$ 433,264
Accrued expenses	744,838	674,524
Deferred revenue	50,310	49,090
Current portion of note payable	26,704	26,462
Total current liabilities	1,247,720	1,183,340
Long-term liabilities		
Note payable, net of current portion	348,481	375,205
Other liabilities	69,935	29,301
Total long-term liabilities	418,416	404,506
Total liabilities	1,666,136	1,587,846
Net assets		
Without donor restrictions		
Undesignated	4,848,326	4,968,860
Board-designated	90,000	166,285
Total without donor restrictions	4,938,326	5,135,145
With donor restrictions	2,436,786	2,417,365
Total net assets	7,375,112	7,552,510
Total liabilities and net assets	\$ 9,041,248	\$ 9,140,356

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

Peninsula Family Service
Consolidated Statement of Activities
For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
Revenues, gains and other support				
Grant income				
Early Head Start	\$ 1,294,176	\$ -	\$ 1,294,176	\$ 1,059,418
California Department of Education	5,137,209	-	5,137,209	4,528,457
County of San Mateo	553,910	-	553,910	566,230
National Council on Aging	1,169,023	-	1,169,023	1,290,262
Other grants	<u>2,251,352</u>	<u>-</u>	<u>2,251,352</u>	<u>3,013,580</u>
Total grant income	<u>10,405,670</u>	<u>-</u>	<u>10,405,670</u>	<u>10,457,947</u>
Contributions and other revenues				
Contributions	1,765,182	684,437	2,449,619	2,106,811
In-kind contributions	1,221,888	-	1,221,888	1,161,279
Program service fees	251,197	-	251,197	303,662
Other revenue	48,213	-	48,213	45,054
Interest and dividends	-	175,016	175,016	162,913
Realized and unrealized gains on investments, net	-	41,528	41,528	22,039
Net assets released from restriction	<u>881,560</u>	<u>(881,560)</u>	<u>-</u>	<u>-</u>
Total contributions and other revenues	<u>4,168,040</u>	<u>19,421</u>	<u>4,187,461</u>	<u>3,801,758</u>
Total revenues, gains and other support	<u>14,573,710</u>	<u>19,421</u>	<u>14,593,131</u>	<u>14,259,705</u>
Functional expenses				
Program services	12,178,393	-	12,178,393	12,010,018
Management and general	1,245,947	-	1,245,947	1,266,195
Fundraising	<u>1,000,183</u>	<u>-</u>	<u>1,000,183</u>	<u>963,470</u>
Total functional expenses	<u>14,424,523</u>	<u>-</u>	<u>14,424,523</u>	<u>14,239,683</u>
Change in net assets before depreciation	149,187	19,421	168,608	20,022
Depreciation	<u>346,006</u>	<u>-</u>	<u>346,006</u>	<u>345,483</u>
Change in net assets	(196,819)	19,421	(177,398)	(325,461)
Net assets, beginning of year	<u>5,135,145</u>	<u>2,417,365</u>	<u>7,552,510</u>	<u>7,877,971</u>
Net assets, end of year	<u>\$ 4,938,326</u>	<u>\$ 2,436,786</u>	<u>\$ 7,375,112</u>	<u>\$ 7,552,510</u>

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

Peninsula Family Service
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

	Program Services				Support Services		2019 Total	2018 Total
	Early Learning	Older Adults	Financial Empowerment	Total Program Services	Management and General	Fundraising		
Personnel expenses								
Salaries and wages	\$ 4,097,450	\$ 714,964	\$ 1,400,261	\$ 6,212,675	\$ 869,789	\$ 639,066	\$ 7,721,530	\$ 7,717,149
Payroll taxes	331,248	59,657	107,479	498,384	65,757	43,602	607,743	636,763
Employee benefits	<u>1,115,557</u>	<u>111,783</u>	<u>113,564</u>	<u>1,340,904</u>	<u>131,152</u>	<u>68,807</u>	<u>1,540,863</u>	<u>1,412,275</u>
Total personnel expenses	5,544,255	886,404	1,621,304	8,051,963	1,066,698	751,475	9,870,136	9,766,187
Professional and outside services	626,606	190,995	142,390	959,991	69,510	58,584	1,088,085	1,267,970
Supplies	261,948	10,337	5,465	277,750	11,392	3,018	292,160	139,569
Refreshment and program food	459,518	53,900	4,784	518,202	13,662	5,566	537,430	507,001
Telephone and internet	44,546	10,608	13,732	68,886	9,793	5,751	84,430	79,836
Postage, delivery and printing	6,392	22,189	7,142	35,723	463	25,475	61,661	25,346
Occupancy	447,544	14,889	59,952	522,385	21,692	15,688	559,765	489,762
Insurance	43,679	6,008	24,443	74,130	5,038	3,119	82,287	92,916
IT, software and equipment	125,585	45,855	43,452	214,892	24,777	43,753	283,422	318,186
Travel	9,512	7,248	6,605	23,365	3,497	758	27,620	26,182
Conferences and trainings	38,207	6,028	3,415	47,650	17,072	5,987	70,709	43,285
Public relations	1,556	18,633	9,699	29,888	1,403	80,439	111,730	187,674
Miscellaneous expenses	10,130	126	121,424	131,680	950	570	133,200	134,493
In-kind expenses	<u>156,664</u>	<u>326,674</u>	<u>738,550</u>	<u>1,221,888</u>	<u>-</u>	<u>-</u>	<u>1,221,888</u>	<u>1,161,276</u>
Total expenses as shown on Consolidated Statement of Activities	7,776,142	1,599,894	2,802,357	12,178,393	1,245,947	1,000,183	14,424,523	14,239,683
Depreciation	<u>108,615</u>	<u>-</u>	<u>1,062</u>	<u>109,677</u>	<u>236,329</u>	<u>-</u>	<u>346,006</u>	<u>345,483</u>
	<u>\$ 7,884,757</u>	<u>\$ 1,599,894</u>	<u>\$ 2,803,419</u>	<u>\$ 12,288,070</u>	<u>\$ 1,482,276</u>	<u>\$ 1,000,183</u>	<u>\$ 14,770,529</u>	<u>\$ 14,585,166</u>

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

Peninsula Family Service
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ (177,398)	\$ (325,461)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	346,006	345,483
Net realized and unrealized gain on investments	(41,528)	(22,039)
Changes in operating assets and liabilities		
Accounts, grants and pledges receivable	180,987	274,441
Prepaid and other current assets	(11,312)	(54,518)
Accounts payable	(7,396)	101,199
Accrued expenses	70,314	148,070
Deferred revenue	1,220	39,200
Reserve for loan guarantees	40,634	(4,561)
Net cash provided by operating activities	401,527	501,814
Cash flows from investing activities		
Purchases of property and equipment	(76,733)	(150,079)
Purchases of long-term investments	(448,402)	(335,553)
Proceeds from sales of investments	377,296	248,204
Net cash used in investing activities	(147,839)	(237,428)
Cash flows from financing activities		
Repayments of note payable	(26,482)	(26,243)
Net cash used in financing activities	(26,482)	(26,243)
Net increase in cash	227,206	238,143
Cash, beginning of year	758,511	520,368
Cash, end of year	\$ 985,717	\$ 758,511

Supplemental disclosure of cash flow information

Cash paid during the year for interest	\$ 3,541	\$ 3,785
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The accompanying notes are an integral part of these consolidated financial statements.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

1. NATURE OF OPERATIONS

Peninsula Family Service ("PFS") strengthens the community by providing children, families and older adults the support and tools to realize their full potential and lead healthy, stable lives. PFS envisions a community where opportunity, financial stability, and wellness are secured for all. PFS values respect, adaptability, teamwork, diversity, integrity and compassion. PFS was founded as a nonprofit public benefit corporation in April of 1950 to provide a wide variety of community service programs throughout the San Francisco Bay Area.

As PFS has grown, it changed its name from the Family Service Agency of San Mateo County to Peninsula Family Service in June 2010, to include all the communities it serves.

PFS has the following primary programs:

- *Early Learning Program* - PFS provides affordable developmental child care programs and centers at various locations throughout San Mateo County. Subsidized child care is available for qualified families.
- *Older Adults Program* - PFS serves as a partner in ensuring that older adults in the community thrive and have connections with others. The Organization also provides financial and support tools, exercise and fitness programs, multilingual senior peer counseling, meals and a local connection to other community services.
- *Financial Empowerment Program* - PFS provides employment services to help mature workers. These services include vocational counseling and goal planning; resume preparation, on-the-job training and employment referrals. The program also provides financial support and tools such as loans to low-income individuals to purchase reliable cars who do not have access to conventional credit to maintain their self-sufficiency and employment. This program also offers prepaid debit cards, Lending Circles (a social loan program to increase credit scores and savings balances) and financial education classes to help develop credit and money management skills.

On February 25, 2016, PFS incorporated a California for-profit entity, DriveFoward, LLC ("DF"), to strengthen the financial empowerment line of development. PFS is the sole member of DF.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The consolidated financial statements are presented using the accrual method of accounting.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of consolidation

The consolidated financial statements include the accounts of PFS and DF (collectively, the "Organization"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from those estimates.

Net assets

The Organization reports information regarding its financial position and activities according to classes of net assets. 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 restrictions. The Organization's board may designate net assets without donor restrictions for specific purposes.
- *Net assets with donor restrictions* - net assets subject to donor-imposed stipulations. Some donor-imposed stipulations are temporary in nature such as those that may or will be met by actions of the Organization and/or passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Concentration of revenue sources

Of the total revenue sources of the Organization, the California Department of Education accounted for approximately 35% of the total revenue of the Organization for the year ended June 30, 2019.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of their acquisition date. At June 30, 2019, cash and cash equivalents include \$350,000 in a deposit account that is pledged as part of a lending and guaranty agreement entered into by DriveForward, LLC.

The Organization maintains funds in various institutions that are a member of the Federal Deposit Insurance Corporation. As such, funds are insured based on Federal Reserve limits. The Organization has not experienced any loss in the past and believes it is not exposed to any significant credit risk on the current account balances. At times, cash balances may exceed the insured amounts.

Accounts receivables

The Organization uses the reserve method for allowance for doubtful accounts. For the year ended June 30, 2019, there was no allowance for doubtful accounts.

Investments

Investments are reported at their fair values in the consolidated statement of financial position. Investment earnings or losses are included as increases or decreases in net assets without donor restriction, unless their use is restricted by the donor.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Investments and fair value measurements

Investment are reflected in the consolidated statement of financial position at fair value with changes in realized and unrealized gains and losses resulting from changes in fair value reflected in the consolidated statement of activities as investment gain or loss. Publicly-traded investments in active markets are reported at the market closing. Investment transactions are recorded on a trade-date basis (for publicly-traded investments) or upon closing of the transaction (for private investments).

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and fair value measurements (continued)

- *Level 1* - These consist of investments where values are based on unadjusted quoted prices for identical assets in an active market that the Organization has the ability to access. These investments consist of exchange-traded investments in debt and equity securities and mutual funds.
- *Level 2* - These consist of investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.
- *Level 3* - These consist of financial instruments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the instruments.

The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investments.

Concentration of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of uninsured cash balances. The Organization places its cash deposits with high-credit, quality financial institutions. At times, balances in the Organization's cash accounts may exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000, and the Security Investment Protection Corporation (SIPC) limit of \$500,000. The Organization has not experienced any losses in such accounts.

Property and equipment

The Organization records purchased property with extended useful lives at cost, and donated property and equipment at fair market value on the date received. Depreciation may not be claimed for reimbursement under child development contracts for assets donated or purchased with public funds.

The Organization capitalizes and depreciates or amortizes all property and equipment in accordance with its policies and reports the transactions in the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. The Organization's capitalization threshold is \$2,500. Depreciation and amortization is recorded over the useful lives of the property and equipment using the straight-line method.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-lived assets

The Organization reviews the carrying value of property, equipment and intangible assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where the expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. As of June 30, 2019, no impairment loss was recognized by the Organization.

Prepaid expenses

Prepaid expense balances are calculated and adjusted monthly to properly charge funds in the period benefited.

Paid time off (PTO)

The Organization offers a single PTO program to eligible employees that can be used for any purpose (e.g. vacation, personal leave, sick leave, etc.). Eligible employees accrue PTO based on years of service and exemption status. Non-exempt employees earn PTO hours based on hours paid each pay period excluding overtime, but including PTO. If employment ends, all accrued PTO hours that have not been used at termination date will be paid. Accrued PTO at June 30, 2019 was \$402,669.

Support and revenue

The Organization receives a major portion of its revenues in the form of federal and state grants or contracts for program operations. To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established in accordance with their nature and purpose. Separate accounts are maintained for each fund.

Contributions

Contributions received are reported as net assets without donor restrictions or with donor restrictions depending on donor restrictions, if any.

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 conditions on which they depend are substantially met.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions (continued)

Contributions that are promised in one year but are not expected to be collected until after the end of that year are reflected as contributions receivable and are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts are recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable may be established based upon management's judgment including such factors as prior collection history, type of contribution and current aging of contributions receivable. At June 30, 2019, there was no allowance for doubtful contributions.

Donated materials and services

Donated materials and services (in-kind) are reflected as contributions in the accompanying consolidated statement of activities at their fair market value. Such services would have been purchased if not provided by donation or require specialized skills and are provided by individuals possessing such specialized skills. The types of in-kind donated to the Organization include volunteer services, supplies, rent, utilities, loan capital for the purchase of vehicles and legal services. The total in-kind contributions for the year ended June 30, 2019 was \$1,221,888.

Program service revenue

The Organization receives family fee and tuition revenue for child care services based on a set fee schedule and income guidelines. Revenue is recognized as services are provided.

Advertising costs

The Organization expenses advertising costs as incurred.

Allocation of expenses

The costs of providing programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Indirect or shared costs are allocated to the programs and supporting services by a method that measures the estimated benefit provided.

Income taxes

PFS is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and section 23701(d) of the California Revenue and Taxation Code whereby only unrelated business income, as defined by Section 512(a)(1) of the Internal Revenue Code and similar code sections of the California Revenue and Taxation code is subject to income tax. Accordingly, no provision for income taxes has been provided for in the accompanying consolidated financial statements.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

DF, a for-profit entity, is a disregarded entity taxed which is not subject to federal income taxes. Accordingly, no provision for income taxes has been provided for in the accompanying consolidated financial statements. DF, however, is required to pay an \$800 minimum California franchise tax and a gross receipts fee.

The Organization is required to file annual informational returns for its nonprofit entities with the Internal Revenue Service and the California Franchise Tax Board. Management has evaluated its current tax positions and has concluded as of June 30, 2019, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary. The tax returns are subject to examination by the taxing authorities generally for three years and four years for federal and state, respectively, starting with the date of filing or the due date of the tax return, whichever is later.

Comparative financial information

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2018 from which the summarized information was derived from.

Change in accounting principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 makes certain improvements to current reporting requirements, including:

1. Reducing the classes of net assets from three (unrestricted, temporarily restricted and permanently restricted) to two (with donor restrictions and without donor restrictions).
2. Enhancing disclosures about:
 - a. Amounts and purposes of governing board designations, appropriations and similar actions that result in self-imposed limits on the use of resources without donor-imposed restrictions.
 - b. Composition of net assets with donor restrictions and how the restrictions affect the use of resources.
 - c. Qualitative information about management of liquid resources and quantitative information about the availability of liquid resources to meet cash needs for general expenditures within one year of the consolidated statement of financial position date.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

- d. Amounts of expenses by both their natural classification and their functional classification in one location as a separate statement or in the notes to the consolidated financial statements.
 - e. Methods used to allocate costs among program and support functions.
 - f. Underwater endowment funds.
3. Reporting investment return net of external and direct internal investment expenses.
4. Use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption (thus eliminating the current option to release the donor-imposed restriction over the estimated useful life of the acquired asset).

The amendments have been applied on a retrospective basis in 2019.

Subsequent events

The Organization has evaluated subsequent events through December 12, 2019, the date the consolidated financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Organization's consolidated financial statements.

3. ACCOUNTS AND GRANTS RECEIVABLE

Accounts and grants receivable as of June 30, 2019 consisted mainly of grants receivable from various funding agencies. At June 30, 2019, the Organization has not discounted the receivables using the applicable interest rate as they have deemed the adjustment as immaterial.

4. INVESTMENTS

Investments consisted of the following:

Mutual funds	\$ 1,933,077
Money market funds	416,422
Life insurance policies	<u>56,671</u>
	<u>\$ 2,406,170</u>

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

4. INVESTMENTS (continued)

The following summarizes investment return for the years ended June 30,

Realized gains on investments	\$ 15,316
Unrealized gains on investments	26,212
Interest and dividend income	<u>175,016</u>
	<u><u>\$ 216,544</u></u>

The Organization is the owner and the direct beneficiary of certain life insurance policies. The policies were valued at the cash surrender value.

The Organization invested in open-end and closed-end mutual funds. The fair values of the mutual funds were measured using quoted market prices.

The Organization invested in money market funds, which consisted of 99.5% of government funds, cash and/or securities backed by the US government and retail funds. The price of the money market fund may fluctuate and may be worth less than originally paid. A money market fund is not insured or guaranteed by the FDIC or other government agency.

5. FAIR VALUE DISCLOSURES

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual funds	\$ 1,933,077	\$ -	\$ -	\$ 1,933,077
Money market funds	416,422	-	-	416,422
Life insurance policies	<u>56,671</u>	<u>-</u>	<u>-</u>	<u>56,671</u>
	<u><u>\$ 2,406,170</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,406,170</u></u>

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Leasehold improvements	\$ 907,583
Buildings	6,650,706
Computer equipment	324,991
Furniture and fixtures	1,063,037
Land	<u>987,266</u>
	9,933,583
Accumulated depreciation and amortization	<u>(5,577,817)</u>
	<u><u>\$ 4,355,766</u></u>

Depreciation and amortization expense amounted to \$346,006 for the year ended June 30, 2019.

7. ASSETS RESERVED FOR UNEMPLOYMENT CLAIMS

The Organization participates in the Joint Unemployment Compensation Trust, which administers and pays claims for unemployment compensation made by the Organization's former employees. Participating agencies are required to establish a reserve account based on actual claims experience and payroll size, against possible unemployment claims. The reserve is reduced by claims paid, its allocated share of trust operating expenses and increased by the Organization's contributions and its share of allocated investment income.

8. LINE OF CREDIT

The Organization has a revolving line of credit with availability of \$1,275,000. The line of credit matures at June 30 every year and is reviewed for renewal. The line of credit is secured by a deed of trust. Interest is payable in monthly installments on the unpaid principal balance at 0.5% over the prime rate as published in the Wall Street Journal. The interest rate at June 30, 2019 was 5.0%. The Organization has no outstanding balance at June 30, 2019.

9. NOTE PAYABLE

On March 1, 2002, the Organization received a \$725,000 loan from the Property Acquisition Program Loan Program offered by the County of San Mateo Department of Housing to purchase a commercial building in the County of San Mateo. The original term of the loan would mature in 15 years on August 31, 2017. On November 25, 2015, the Organization entered into an amendment with the County of San Mateo to extend the maturity date to November 1, 2032. The loan bears an interest rate of 0.91% per annum, with a payment amount of \$2,508 (including a collection fee of \$6) and a balloon payment at maturity for the outstanding balance and interest.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

9. NOTE PAYABLE (continued)

Note payable is detailed as follows:

Note payable to the County of San Mateo due in monthly installments of \$2,508 with final payment of outstanding principal and interest in November 2032. The note bears interest rate at 0.91% and is secured by a deed of trust.

	\$ 375,185
Current portion	(26,704)
	<u>\$ 348,481</u>

The future maturities of the notes payable are as follows:

Year ending June 30,

2020	\$ 26,704
2021	26,948
2022	27,194
2023	27,443
2024	27,694
Thereafter	<u>239,202</u>
	<u>\$ 375,185</u>

10. BOARD DESIGNATED NET ASSETS

The board of the Organization designated certain funds to be used for future events or specific operating purposes.

Net assets without donor restrictions were designated for the following purposes:

Facilities reserves	\$ 50,000
Loan reserves	<u>40,000</u>
	<u>\$ 90,000</u>

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Operations	\$ 346,429
Endowment funds	1,970,724
Life insurance policies	56,671
Fixed assets reserve	<u>62,962</u>
	<u><u>\$ 2,436,786</u></u>

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

Operations	\$ 635,790
Endowment funds	206,115
Fixed asset reserve	23,265
Other	<u>16,390</u>
	<u><u>\$ 881,560</u></u>

12. ENDOWMENT

The Organization's endowment consists of several individual funds established for a variety of purposes. Its endowment includes only donor-restricted endowment funds. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Organization's Board of Trustees has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as endowment net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts donated to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds, and (d) the remaining portion of donor-restricted endowment fund whose use is restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

12. ENDOWMENT (continued)

Interpretation of relevant law (continued)

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the board of trustees, the Organization diversifies its investments, subject to practicality constraints, among a variety of asset classes so as to maximize the benefit to the Organization and to achieve a total return from the investments sufficient to provide both a reasonable growth of the asset base and current income to support the programs of the Organization.

Asset allocation

The investment manager is directed to follow an asset allocation strategy that would be consistent with the objective to include the following:

- Diversification that would include both common stock and fixed income investments. Common stock investments include diversification that would result in a portfolio of issues that represent a range of industry groups to spread investment risk over a broad base. Fixed income investments include obligations of the U.S. Treasury, agencies of the U.S. government and investment grade corporate debt.
- The investments in equities and fixed income would be reviewed no less than quarterly and compared to the 65% equity and 35% fixed income benchmarks. Should either vary more than 5% from the benchmark upon review, the investments would be rebalanced unless otherwise directed by the committee with documentation explaining the rationale behind the decision.
- Socially and environmentally responsible investing strategy seeking not only a financial return, but also a social and environmental benefit.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

12. ENDOWMENT (continued)

Spending policy

It is the policy of the trustees to preserve the value of its endowment in real terms while providing funds to the Organization for operations. It shall be the responsibility of the trustees to periodically review the spending policy.

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2019.

Endowment composition

Endowment net assets consisted of the following as of June 30, 2019:

	<u>Restricted</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 571,253	\$ 1,399,471	\$ 1,970,724

Changes in endowment net assets for the fiscal year ended June 30, 2019 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2018	\$ -	\$ 1,960,295	\$ 1,960,295
Investment return			
Investment income	-	175,016	175,016
Realized and unrealized gain	-	41,528	41,528
Total investment return	-	216,544	216,544
Appropriation of net assets	-	(206,115)	(206,115)
	-	10,429	10,429
Balance, June 30, 2019	\$ -	\$ 1,970,724	\$ 1,970,724

13. RETIREMENT PLAN

The Organization maintains a retirement plan available for its employees that allows participants to make self-directed, tax deferred investment contributions. The plan qualifies under the provisions of Section 403(b) of the Internal Revenue Code of 1954, as amended. For the year ended June 30, 2019, the Organization contributed \$89,039 to the plan.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

14. COMMITMENTS AND CONTINGENCIES

The Organization leases commercial properties under non-cancelable leases. Rent expense for the year ended June 30, 2019 was \$187,140.

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

<u>Year ending June 30,</u>	
2020	\$ 188,019
2021	201,036
2022	102,753
2023	<u>19,325</u>
	<u><u>\$ 511,133</u></u>

15. COST ALLOCATION PLAN

The Organization updates its cost allocation plans annually or more frequently when changes are needed in program enrollment or other cost drivers. The Organization obtains approval of the cost allocation plan from its Board of Directors. The Organization applies several methods for allocating costs:

Direct costs

Costs identified 100 percent to a specific program are charged directly to that program.

Shared direct costs

Costs identified to specific multiple programs or activities are shared between the programs benefiting.

- Payroll costs are allocated using individual time sheets that report the actual time spent by employees in each program each day.
- Rent, utilities and maintenance are allocated using the square footage of building space occupied by each program, according to floor plans, and/or room measurements.
- Training costs for staff members are allocated to programs in proportion to the actual time employees spend working in those programs.
- IT and computer related expenses are allocated to the programs in proportion to the number of computers in use or assigned to each program.
- Audit, payroll processing fees, office supplies, copier maintenance, telephone, postage, and insurance costs are allocated to individual programs, based on the total expenses of each department as a percentage of total Organization expenses or the number of employees in the program.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2019

15. COST ALLOCATION PLAN (continued)

Indirect costs

Management, finance and human resources costs (overhead allocation) are pooled and then allocated to individual programs (less in-kind expenses, depreciation and capital acquisitions) based on the percentage of each department's total expenses as a percentage of total Organization expenses.

16. AUXILIARY ORGANIZATIONS

The Organization is affiliated with three non-profit auxiliary corporations. The sole purpose of the auxiliary corporations is to support the Organization by fundraising, volunteer service projects and by promoting community awareness of the Organization's programs. The auxiliaries are The Hillsborough Auxiliary to Peninsula Family Service, Foothill Auxiliary to Peninsula Family Service and Red-Car-Bel Auxiliary Inc. The auxiliaries are operated by their own boards of directors which consist of active members of the auxiliaries. The auxiliaries are not required to be and are not consolidated in the accompanying consolidated financial statements. The net assets of the auxiliaries as of June 30, 2019 are nominal and not recognized by the Organization.

17. LIQUIDITY AND FUNDS AVAILABLE

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The following is a quantitative disclosure which describes financial assets that are available as of June 30, 2019 to fund general expenditures and other obligations as they become due within one year:

Financial assets:	
Cash and cash equivalents	\$ 985,717
Accounts and grants receivable, net	1,041,348
Investments	<u>2,406,170</u>
	<u>4,433,235</u>
Less: limitations making financial assets unavailable for general expenditure	
Net assets with donor restrictions	<u>(2,436,786)</u>
	<u>(2,436,786)</u>
	<u>\$ 1,996,449</u>

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*

Board of Directors
Peninsula Family Service
San Mateo, 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 consolidated financial statements of Peninsula Family Service (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 12, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 determination of consolidated financial statement amounts. 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armanino^{LLP}
San Francisco, California

December 12, 2019



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

Board of Directors
Peninsula Family Service
San Mateo, California

Report on Compliance for Each Major Federal Program

We have audited Peninsula Family Service (the "Organization")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization 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, 2019.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Armanino^{LLP}
San Francisco, California

December 12, 2019

Peninsula Family Service
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Total State Expenditures
<u>Expenditures of Federal and State Awards</u>				
U.S. Department of Health and Human Services				
Head Start				
Direct awards				
Early Head Start	93.600	09CH9176	\$ 1,294,176	\$ -
Total Head Start			<u>1,294,176</u>	<u>-</u>
Pass-through program from California Department of Education:				
CCDF Cluster				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund				
CCTR-8247	93.596	41-B629-00-7	542,626	1,762,947
CSPP-8534	93.596	41-B630-00-7	343,970	1,077,372
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			<u>886,596</u>	<u>2,840,319</u>
Child Care and Development Block Grant				
CCTR-8247	93.575	41-B639-00-7	249,419	-
CSPP-8534	93.575	41-B640-00-7	157,983	1,002,890
Total Child Care and Development Block Grant			<u>407,402</u>	<u>1,002,890</u>
Total CCDF Cluster			<u>1,293,998</u>	<u>3,843,209</u>
Special Programs for the Aging_ Title III, Part B_ Grants for Supportive Services and Senior Centers				
Direct awards				
Title IIIB: Information & Assistance	93.044		35,000	-
Total Special Programs for the Aging_ Title III, Part B_ Grants for Supportive Services and Senior Centers			<u>35,000</u>	<u>-</u>
Special Programs for the Aging_ Title III, Part C_ Nutrition Services				
Direct awards				
Title IIIB: Information & Assistance	93.045		35,550	6,909
Total Special Programs for the Aging_ Title III, Part C_ Nutrition Services			<u>35,550</u>	<u>6,909</u>
Total U.S. Department of Health and Human Services			<u>2,658,724</u>	<u>3,850,118</u>
U.S. Department of Labor				
Senior Community Service Employment Program				
Pass-through program from National Council on Aging:				
National Council on Aging	17.235	31	1,169,023	-
Total U.S. Department of Labor			<u>1,169,023</u>	<u>-</u>

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

Peninsula Family Service
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Total State Expenditures
U.S. Department of Agriculture				
Child and Adult Care Food Program				
Pass-through program from California Department of Education:				
Child Care Food Program	10.558	41-1664-1A	320,952	-
Total Child and Adult Care Food Program			<u>320,952</u>	<u>-</u>
Senior Farmers Market Nutrition Program				
Pass-through program from the County of San Mateo:				
Senior Farmers Market Coupons	10.576		1,900	-
Total Senior Farmers Market Nutrition Program			<u>1,900</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>322,852</u>	<u>-</u>
U.S. Department of Transportation				
Job Access And Reverse Commute Program				
Pass-through program from Metropolitan Transportation Commission:				
Lifeline Transportation Program	20.516		362,343	-
Total U.S. Department of Transportation			<u>362,343</u>	<u>-</u>
Total Expenditures of Federal and State Awards			<u>\$ 4,512,942</u>	<u>\$ 3,850,118</u>

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

Peninsula Family Service
Notes to Schedule of Expenditures of Federal and State Awards
June 30, 2019

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Peninsula Family Service (the "Organization") under programs of the federal government and State of California for the year ended June 30, 2019. 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 California Department of Education. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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 and California Department of Education, 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. LOANS

The Organization did not have any federal loan programs during the year ended June 30, 2019.

4. INDIRECT COSTS

Except for the Head Start program, the Organization does not use the 10% de minimis indirect cost rate for federal awards.

Peninsula Family Service
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

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>CFDA Number</u>
Child Care and Development Fund (CCDF) Cluster Early Head Start	93.575 and 93.596 93.600
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

Peninsula Family Service
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

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.

Peninsula Family Service
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019

Finding number: **2018-001**

Condition: In the previously issued 2017 consolidated financial statements, the Organization recognized certain contributions with donor-restrictions as deferred revenue. These contributions should have been recognized as temporarily restricted revenue during fiscal 2017. As part of the 2018 audit, an adjustment was proposed and recorded by the Organization to adjust the 2017 consolidated financial statements to recognize these contributions as temporarily restricted revenue during fiscal 2017. This matter is only related to certain restricted contributions.

Status: Corrective action was taken.

SUPPORTING SCHEDULES REQUIRED BY THE CALIFORNIA DEPARTMENT OF EDUCATION

Peninsula Family Service
General Information
For the Years Ended June 30, 2019 and 2018

Center Name	Peninsula Family Service
Contract Numbers	CCTR-8247 CSPP-8534
Contract Number	B629
Type of Agency	California Nonprofit Public Benefit Corporation
Address	24 2nd Avenue, San Mateo, CA 94401-3828
Name of Chief Executive Officer	Heather Cleary
Telephone Number	(650) 403-4300
Audit Period	July 1, 2018 through June 30, 2019
Number of Operations Days of Agency	246
Scheduled Daily Hours of Operation	Varied

Peninsula Family Service
Combining Statement of Activities
For the Year Ended June 30, 2019

	California Department of Education Programs & Supplemental				SUHSD	IST 5	Big Lift	Other	Total
	General	State	Early	San Mateo					
	Center CCTR-8247	Preschool CSPP-8534	Head Start HB & Admin	County QRIS					
Public support and revenue									
Grant income									
Early Head Start	\$ -	\$ -	\$ 1,294,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,294,176
California Department of Education	2,554,994	2,582,215	-	-	-	-	-	-	5,137,209
Child Care Food Program	158,220	162,732	-	-	-	-	-	-	320,952
County of San Mateo	-	-	-	48,000	-	-	-	505,910	553,910
Other grants	23,501	24,171	-	-	204,762	224,200	381,668	2,241,121	3,099,423
Enhancement funding	-	-	-	-	-	-	-	-	-
Pledges and contributions									
Contributions	-	-	-	-	-	-	-	2,449,619	2,449,619
Contributions - in-kind	77,231	79,433	-	-	-	-	-	1,065,224	1,221,888
Earned income									
Fees - program services	126,484	113,499	-	-	-	-	-	11,215	251,198
Other income									
Interest and dividends	-	-	-	-	-	-	-	175,016	175,016
Realized and unrealized gains on investments, net	-	-	-	-	-	-	-	41,528	41,528
Other income	-	-	-	-	-	-	-	48,213	48,213
Total public support and revenue	<u>2,940,430</u>	<u>2,962,050</u>	<u>1,294,176</u>	<u>48,000</u>	<u>204,762</u>	<u>224,200</u>	<u>381,668</u>	<u>6,537,846</u>	<u>14,593,131</u>
Expenditures									
Salaries and wages	1,253,190	1,288,926	663,770	36,624	104,091	130,838	235,454	4,008,637	7,721,530
Employee benefits and payroll taxes	455,336	468,320	200,905	8,198	66,550	39,251	79,698	830,348	2,148,606
Professional & outside services	216,304	222,472	98,086	-	7,695	33,700	35,000	474,828	1,088,085
Supplies	77,069	79,266	99,902	3,178	2,533	-	-	30,212	292,160
Refreshment & program food	215,588	221,735	20,639	-	1,556	-	-	77,912	537,430
Telephone & internet	17,121	17,609	8,665	-	1,151	-	-	39,884	84,430
Postage, delivery & printing	2,763	2,842	636	-	151	-	-	55,269	61,661
Occupancy	189,904	195,319	62,322	-	-	-	-	112,220	559,765
Insurance	17,581	18,082	6,795	-	1,221	-	-	38,608	82,287
IT, software & equipment	43,818	45,067	35,104	-	1,596	-	-	157,837	283,422
Travel	2,010	2,067	4,781	-	654	-	-	18,108	27,620
Training and conferences	6,147	6,322	25,655	-	83	-	-	32,502	70,709
Public relations	273	281	1,002	-	-	-	-	110,174	111,730
Miscellaneous expense	3,482	3,582	3,035	-	30	-	-	123,072	133,201
In-kind expense	77,231	79,433	-	-	-	-	-	t	156,664
Depreciation	52,961	54,471	-	-	1,183	-	-	237,391	346,006
Sub-total before allocation of administrative and support expenditures	2,630,778	2,705,794	1,231,297	48,000	188,493	203,789	350,152	6,347,002	13,705,306
Allocation of administrative and support expenditures	312,400	321,308	62,879	-	16,269	20,411	31,515	(764,782)	(0)
Total expenditures	<u>2,943,178</u>	<u>3,027,102</u>	<u>1,294,176</u>	<u>48,000</u>	<u>204,762</u>	<u>224,200</u>	<u>381,668</u>	<u>5,582,220</u>	<u>13,705,306</u>
Change in net assets	\$ (2,748)	\$ (65,052)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 955,626	\$ 887,826

Peninsula Family Service
Combining Schedule of Renovation and Repair Expenditures
For the Years Ended June 30, 2019 and 2018

	General Center CCTR-8247	State Preschool CSPP-8534	Total
Unit cost under \$10,000			
None	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>
Unit cost over \$10,000 (with CDE Approval)			
None	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Unit cost over \$10,000 (without CDE Approval)			
None	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Peninsula Family Service
 Combining Schedule of Equipment Expenditures
 For the Years Ended June 30, 2019 and 2018

	General Center CCTR-8247	State Preschool CSPP-8534	Total
Unit cost under \$10,000			
None	\$ -	\$ -	\$ -
	-	-	-
Unit cost over \$10,000 (with CDE Approval)			
None	-	-	-
	-	-	-
Unit cost over \$10,000 (without CDE Approval)			
None	-	-	-
	-	-	-
	\$ -	\$ -	\$ -

Peninsula Family Service
Combining Schedule of Administrative Costs
For the Years Ended June 30, 2019 and 2018

	General Center <u>CCTR-8247</u>	State Preschool <u>CSPP-8534</u>	<u>Total</u>
Salaries and wages	\$ 218,085	\$ 224,303	\$ 442,388
Payroll taxes	16,488	16,958	33,446
Employee benefits	32,884	33,822	66,706
Professional fees and outside services	17,428	17,925	35,353
Supplies	2,856	2,938	5,794
Refreshment and program food	3,426	3,523	6,949
Telephone and internet	2,455	2,525	4,980
Postage, delivery and printing	116	119	235
Occupancy	5,439	5,594	11,033
Insurance	1,263	1,299	2,562
IT, software and equipment	6,212	6,390	12,602
Travel	877	902	1,779
Conference and training	4,281	4,403	8,684
Public relations	352	362	714
Miscellaneous	238	245	483
	<u>\$ 312,400</u>	<u>\$ 321,308</u>	<u>\$ 633,708</u>

Peninsula Family Service
Combining Schedule of Expenditures by State Categories
For the Year Ended June 30, 2019

	<u>General Center</u> <u>CCTR-8247</u>	<u>State Peschool</u> <u>CSPP-8534</u>	<u>Total</u>
Expenditures			
Direct Payments to Providers			
1000 Certificated Salaries	\$ 864,701	\$ 889,359	\$ 1,754,060
2000 Classified Salaries	388,489	399,567	788,056
3000 Employee Benefits	455,336	468,320	923,656
4000 Books and Supplies	77,069	79,266	156,335
5000 Services and Other Operating Expenses	1,104,622	1,136,119	2,240,741
6100/6200 Other Approved Capital Outlay	-	-	-
6400 New Equipment (program related)	-	-	-
6500 Equipment Replacement (program related)	-	-	-
Depreciation or Use Allowance	52,961	54,471	107,432
Start-up Expenses (service level exemption)	-	-	-
Indirect Costs (include in Administrative Cost)	-	-	-
Total Expenses Claimed for Reimbursement	<u> 2,943,178</u>	<u> 3,027,102</u>	<u> 5,970,280</u>
Supplemental Expenses	<u> 1,800,646</u>	<u> 905,176</u>	<u> 2,705,822</u>
Total Expenditures	<u><u> \$ 4,743,824</u></u>	<u><u> \$ 3,932,278</u></u>	<u><u> \$ 8,676,102</u></u>

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Full Name of Contractor **Peninsula Family Service**

Section 1 - Days of Enrollment Certified Children in Classrooms With Mental Health Consultation Services Recipient(s)	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Infants (up to 18 months) Full-time-plus				2.4926	0
Infants (up to 18 months) Full-time	2,613		2,613	2.1200	5,539.56
Infants (up to 18 months) Three-quarters-time	65		65	1.6025	104.1625
Infants (up to 18 months) One-half-time				1.1885	0
Family Child Care Home Infants (up to 18 months) Full-time-plus				2.3156	0
Family Child Care Home Infants (up to 18 months) Full-time				1.9700	0
Family Child Care Home Infants (up to 18 months) Three-quarters-time				1.4900	0
Family Child Care Home Infants (up to 18 months) One-half-time				1.1060	0
Toddlers (18 up to 36 months) Full-time-plus				1.9380	0
Toddlers (18 up to 36 months) Full-time	7,988		7,988	1.6500	13,180.2
Toddlers (18 up to 36 months) Three-quarters-time	240		240	1.2500	300
Toddlers (18 up to 36 months) One-half-time				0.9300	0

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Three Years and Older Full-time-plus				1.2300	0
Three Years and Older Full-time	1,228		1,228	1.0500	1,289.4
Three Years and Older Three-quarters-time	1		1	0.8000	0.8
Three Years and Older One-half-time				0.6000	0
Exceptional Needs Full-time-plus				1.6666	0
Exceptional Needs Full-time	25		25	1.4200	35.5
Exceptional Needs Three-quarters-time				1.0775	0
Exceptional Needs One-half-time				0.8035	0
Limited and Non-English Proficient Full-time-plus				1.3480	0
Limited and Non-English Proficient Full-time	829		829	1.1500	953.35
Limited and Non-English Proficient Three-quarters-time	74		74	0.8750	64.75
Limited and Non-English Proficient One-half-time				0.6550	0

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Full Name of Contractor

Section 1 - Days of Enrollment Certified Children in Classrooms With Mental Health Consultation Services Recipient(s)	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
At Risk of Abuse or Neglect Full-time-plus				1.3480	0
At Risk of Abuse or Neglect Full-time	122		122	1.1500	140.3
At Risk of Abuse or Neglect Three-quarters-time				0.8750	0
At Risk of Abuse or Neglect One-half-time				0.6550	0
Severely Disabled Full-time-plus				2.0737	0
Severely Disabled Full-time				1.7650	0
Severely Disabled Three-quarters-time				1.3363	0
Severely Disabled One-half-time				0.9933	0

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Full Name of Contractor

Section 1 - Days of Enrollment Certified Children in Classrooms With Mental Health Consultation Services Recipient(s)	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
TOTAL CERTIFIED DAYS OF ENROLLMENT with Mental Health Consultation Services Recipient(s)	13,185		13,185	N/A	21,608.0225
DAYS OF OPERATION	264		264	N/A	N/A
DAYS OF ATTENDANCE	13,145		13,145	N/A	N/A

NO MENTAL HEALTH CONSULTATION SERVICES RECIPIENT NON-CERTIFIED CHILDREN
 Check this box (omit pages 5-7) and continue to Certified Children Section on page 8.

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Section 3 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Infants (up to 18 months) Full-time-plus				2.4426	0
Infants (up to 18 months) Full-time	2,899		2,899	2.0700	6,000.93
Infants (up to 18 months) Three-quarters-time	172		172	1.5525	267.03
Infants (up to 18 months) One-half-time				1.1385	0
Family Child Care Home Infants (up to 18 months) Full-time-plus				2.2656	0
Family Child Care Home Infants (up to 18 months) Full-time				1.9200	0
Family Child Care Home Infants (up to 18 months) Three-quarters-time				1.4400	0
Family Child Care Home Infants (up to 18 months) One-half-time				1.0560	0
Toddlers (18 up to 36 months) Full-time-plus				1.8880	0
Toddlers (18 up to 36 months) Full-time	7,062		7,062	1.6000	11,299.2
Toddlers (18 up to 36 months) Three-quarters-time	511		511	1.2000	613.2
Toddlers (18 up to 36 months) One-half-time	7		7	0.8800	6.16

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Full Name of Contractor **Peninsula Family Service**

Section 3 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	2,064		2,064	1.0000	2,064
Three Years and Older Three-quarters-time	2,025		2,025	0.7500	1,518.75
Three Years and Older One-half-time	3,638		3,638	0.5500	2,000.9
Exceptional Needs Full-time-plus				1.6166	0
Exceptional Needs Full-time	11		11	1.3700	15.07
Exceptional Needs Three-quarters-time				1.0275	0
Exceptional Needs One-half-time				0.7535	0
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time	1,733		1,733	1.1000	1,906.3
Limited and Non-English Proficient Three-quarters-time	1,050		1,050	0.8250	866.25
Limited and Non-English Proficient One-half-time	4,525		4,525	0.6050	2,737.625

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Section 3 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time	2		2	1.1000	2.2
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.0237	0
Severely Disabled Full-time				1.7150	0
Severely Disabled Three-quarters-time				1.2863	0
Severely Disabled One-half-time				0.9433	0

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Full Name of Contractor

Section 3 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500- MHCS Text	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
TOTAL DAYS OF ENROLLMENT	25,699		25,699	N/A	29,297.615
DAYS OF OPERATION	264		264	N/A	N/A
DAYS OF ATTENDANCE	25,693		25,693	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 12-14) and continue to Revenue Section on page 15.

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Section 4 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Infants (up to 18 months) Full-time-plus				2.4426	0
Infants (up to 18 months) Full-time	16		16	2.0700	33.12
Infants (up to 18 months) Three-quarters-time	169		169	1.5525	262.3725
Infants (up to 18 months) One-half-time				1.1385	0
Family Child Care Home Infants (up to 18 months) Full-time-plus				2.2656	0
Family Child Care Home Infants (up to 18 months) Full-time				1.9200	0
Family Child Care Home Infants (up to 18 months) Three-quarters-time				1.4400	0
Family Child Care Home Infants (up to 18 months) One-half-time				1.0560	0
Toddlers (18 up to 36 months) Full-time-plus				1.8880	0
Toddlers (18 up to 36 months) Full-time				1.6000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.2000	0
Toddlers (18 up to 36 months) One-half-time				0.8800	0

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Full Name of Contractor **Peninsula Family Service**

Section 4 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	484		484	1.0000	484
Three Years and Older Three-quarters-time	956		956	0.7500	717
Three Years and Older One-half-time	1,589		1,589	0.5500	873.95
Exceptional Needs Full-time-plus				1.6166	0
Exceptional Needs Full-time				1.3700	0
Exceptional Needs Three-quarters-time				1.0275	0
Exceptional Needs One-half-time				0.7535	0
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6050	0

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Section 4 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.0237	0
Severely Disabled Full-time				1.7150	0
Severely Disabled Three-quarters-time				1.2863	0
Severely Disabled One-half-time				0.9433	0
Section 4 - Non-Certified Children	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	3,214		3,214	N/A	2,370.4425

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Section 5 - Revenue	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs	158,220		158,220
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income Subtotal	158,220		158,220
Transfer From Reserve			
Family Fees for Certified Children	30,627		30,627
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income: Fees for Non-Certified Children	95,857		95,857
Unrestricted Income: Head Start			
Unrestricted Income - Other:			
Total Revenue	284,704		284,704

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Section 6 - Reimbursable Expenses	Column A Cumulative CDNFS 9500-MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	940,379	-75,678	864,701
2000 Classified Salaries	403,019	-14,530	388,489
3000 Employee Benefits	489,542	-34,206	455,336
4000 Books and Supplies	83,235	-6,166	77,069
5000 Services and Other Operating Expenses	1,114,582	-9,960	1,104,622
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance		52,961	52,961
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (Include in Administrative Cost)			
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	3,030,757	-87,579	2,943,178
Total Administrative Cost (included in section 6 above)	312,292	108	312,400

Approved Indirect Cost Rate:

Comments:

No SUPPLEMENTAL REVENUE Check this box and omit Page 17.

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Section 7 - Supplemental Revenue	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit
Enhancement Funding	1,676,636	124,010	1,800,646
Other:			
Other:			
Total Supplemental Revenue	1,676,636	124,010	1,800,646

Section 8 - Supplemental Expenses	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit
1000 Certificated Salaries	612,329	63,383	675,712
2000 Classified Salaries	275,104	28,477	303,581
3000 Employee Benefits	305,082	31,018	336,100
4000 Books and Supplies	103,948	82	104,030
5000 Services and Other Operating Expenses	333,103	1,048	334,151
6000 Equipment / Capital Outlay	47,072		47,072
Depreciation or Use Allowance			
Indirect Costs			
Non-reimbursable Expenses 6100-6500 Non-reimbursable Capital Outlay			
Total Supplemental Expenses	1,676,638	124,008	1,800,646

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Full Name of Contractor

Section 9 - Summary	Column A Cumulative CDNFS 9500- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Days of Enrollment (incl. MHCS)	38,884		38,884
Days of Operation	264		264
Days of Attendance	38,838		38,838
Total Non-Certified Days of Enrollment (incl. MHCS)	3,214		3,214
Restricted Program Income	158,220		158,220
Transfer from Reserve			
Family Fees for Certified Children	30,627		30,627
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	3,030,757	-87,579	2,943,178
Total Administrative Cost	312,292	108	312,400

Total Certified Adjusted Days of Enrollment (Includes MHCS)

Total Non-Certified Adjusted Days of Enrollment (Includes MHCS)

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 Learning and Care Division:

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

- Yes
- No

Reimbursable expenses claimed on page 16 are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

- Yes
- No

Include any comments in the Comments box on page 16. If necessary, attach additional sheets to explain adjustments.

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 CALIFORNIA STATE PRESCHOOL PROGRAMS
 EARLY CHILDHOOD MENTAL HEALTH CONSULTATION SERVICES
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Fiscal Year Ending June 30, 2019
 Contract Number CSPP 8534
 Vendor Code B629

Full Name of Contractor **Peninsula Family Service**

Section 1 - Days of Enrollment Certified Children in Classrooms With Mental Health Consultation Services Recipient(s)	Column A Cumulative CDNFS 8501- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Three Years and Older Full-time-plus				1.2300	0
Three Years and Older Full-time	11,903		11,903	1.0500	12,498.15
Three Years and Older Three-quarters-time	1,431		1,431	0.8000	1,144.8
Three Years and Older One-half-time	88		88	0.6693	58.8984
Exceptional Needs Full-time-plus				1.6666	0
Exceptional Needs Full-time	949		949	1.4200	1,347.58
Exceptional Needs Three-quarters-time	167		167	1.0775	179.9425
Exceptional Needs One-half-time	10		10	0.6693	6.693
Limited and Non-English Proficient Full-time-plus				1.3480	0
Limited and Non-English Proficient Full-time	9,663		9,663	1.1500	11,112.45
Limited and Non-English Proficient Three-quarters-time	557		557	0.8750	487.375
Limited and Non-English Proficient One-half-time	1,626		1,626	0.6693	1,088.2818

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Full Name of Contractor

Section 1 - Days of Enrollment Certified Children in Classrooms With Mental Health Consultation Services Recipient(s)	Column A Cumulative CDNFS 8501- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
At Risk of Abuse or Neglect Full-time-plus				1.3480	0
At Risk of Abuse or Neglect Full-time	250		250	1.1500	287.5
At Risk of Abuse or Neglect Three-quarters-time				0.8750	0
At Risk of Abuse or Neglect One-half-time				0.6693	0
Severely Disabled Full-time-plus				2.0737	0
Severely Disabled Full-time				1.7650	0
Severely Disabled Three-quarters-time				1.3363	0
Severely Disabled One-half-time				0.6693	0
TOTAL CERTIFIED DAYS OF ENROLLMENT with Mental Health Consultation Services Recipient(s)	26,644		26,644	N/A	28,211.671
DAYS OF OPERATION	264		264	N/A	N/A
DAYS OF ATTENDANCE	26,595		26,595	N/A	N/A

NO MENTAL HEALTH CONSULTATION SERVICES RECIPIENT NON-CERTIFIED CHILDREN Check this box (omit pages 3-5) and continue to Certified Children Section on page 6.

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Full Name of Contractor Peninsula Family Service

Section 3 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 8501- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	11,436		11,436	1.0000	11,436
Three Years and Older Three-quarters-time	1,414		1,414	0.7500	1,060.5
Three Years and Older One-half-time	329		329	0.6193	203.7497
Exceptional Needs Full-time-plus				1.6166	0
Exceptional Needs Full-time	640		640	1.3700	876.8
Exceptional Needs Three-quarters-time	193		193	1.0275	198.3075
Exceptional Needs One-half-time				0.6193	0
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time	8,201		8,201	1.1000	9,021.1
Limited and Non-English Proficient Three-quarters-time	602		602	0.8250	496.65
Limited and Non-English Proficient One-half-time	920		920	0.6193	569.756

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Full Name of Contractor **Peninsula Family Service**

Section 3 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 8501- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time	257		257	1.1000	282.7
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.0237	0
Severely Disabled Full-time				1.7150	0
Severely Disabled Three-quarters-time				1.2863	0
Severely Disabled One-half-time				0.6193	0
TOTAL DAYS OF ENROLLMENT	23,992		23,992	N/A	24,145.563
DAYS OF OPERATION	264		264	N/A	N/A
DAYS OF ATTENDANCE	23,978		23,978	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 8-10) and continue to Revenue Section on page 11.

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Full Name of Contractor **Peninsula Family Service**

Section 4 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Toddlers (18 up to 36 months) Full-time-plus				1.8880	0
Toddlers (18 up to 36 months) Full-time				1.6000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.2000	0
Toddlers (18 up to 36 months) One-half-time				0.6193	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	495		495	1.0000	495
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time				0.6193	0
Exceptional Needs Full-time-plus				1.6166	0
Exceptional Needs Full-time				1.3700	0
Exceptional Needs Three-quarters-time				1.0275	0
Exceptional Needs One-half-time				0.6193	0

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Full Name of Contractor **Peninsula Family Service**

Section 4 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0

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Full Name of Contractor Peninsula Family Service

Section 4 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Severely Disabled Full-time-plus				2.0237	0
Severely Disabled Full-time				1.7150	0
Severely Disabled Three-quarters-time				1.2863	0
Severely Disabled One-half-time				0.6193	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	495		495	N/A	495

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Section 5 - Revenue	Column A Cumulative CDNFS 8501- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs	162,732		162,732
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal	162,732		162,732
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Transfer from Reserve Total			
Family Fees for Certified Children	87,499		87,499
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income: Fees for Non-Certified Children	26,000		26,000
Unrestricted Income: Head Start			
Unrestricted Income Other:			
Total Revenue	276,231		276,231

Full Name of Contractor

Section 6 - Reimbursable Expenses	Column A Cumulative CDNFS 8501- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	967,194	-77,835	889,359
2000 Classified Salaries	441,259	-41,692	399,567
3000 Employee Benefits	503,502	-35,182	468,320
4000 Books and Supplies	85,609	-6,343	79,266
5000 Services and Other Operating Expenses	1,119,617	16,502	1,136,119
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance		54,471	54,471
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (Include in Administrative Cost)			
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	3,117,181	-90,079	3,027,102
Total Administrative Cost (included in section 6 above)	321,197	111	321,308

Approved Indirect Cost Rate:

Comments:

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Full Name of Contractor **Peninsula Family Service**

Section 7 - Supplemental Revenue	Column A Cumulative CDNFS 8501-MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit
Enhancement Funding	782,153	123,023	905,176
Other:			
Other:			
Total Supplemental Revenue	782,153	123,023	905,176

Section 8 - Supplemental Expenses	Column A Cumulative CDNFS 8501-MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit
1000 Certificated Salaries	334,590	62,879	397,469
2000 Classified Salaries	150,323	28,250	178,573
3000 Employee Benefits	155,154	31,894	187,048
4000 Books and Supplies	1,583		1,583
5000 Services and Other Operating Expenses	140,503		140,503
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-reimbursable Expenses 6100-6500 Non-reimbursable Capital Outlay			
Total Supplemental Expenses	782,153	123,023	905,176

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Section 9 - Summary	Column A Cumulative CDNFS 8501- MHCS	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Days of Enrollment (incl. MHCS)	50,636		50,636
Days of Operation	264		264
Days of Attendance (incl. MHCS)	50,573		50,573
Total Non-Certified Days of Enrollment (incl. MHCS)	495		495
Restricted Program Income	162,732		162,732
Transfer from Reserve			
Family Fees for Certified Children	87,499		87,499
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	3,117,181	-90,079	3,027,102
Total Administrative Cost	321,197	111	321,308

Total Certified Adjusted Days of Enrollment (Includes MHCS)

Total Non-Certified Adjusted Days of Enrollment (Includes MHCS)

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 Learning and Care Division:

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

- Yes
- No

Reimbursable expenses claimed on page 12 are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

- Yes
- No

Include any comments in the Comments box on page 12. If necessary, attach additional sheets to explain adjustments.