

Peninsula Family Service

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

June 30, 2020
(With Comparative Totals for 2019)



TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 23
Single Audit Reports and Schedules	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25 - 26
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	27 - 28
Schedule of Expenditures of Federal and State Awards	29 - 30
Notes to Schedule of Expenditures of Federal and State Awards	31
Schedule of Findings and Questioned Costs	32 - 33
Summary Schedule of Prior Audit Findings	34
Supporting Schedules Required by the California Department of Education	
General Information	36
Combining Statement of Activities	37
Combining Schedule of Renovation and Repair Expenditures	38
Combining Schedule of Equipment Expenditures	39
Combining Schedule of Administrative Costs	40
Combining Schedule of Expenditures by State Categories	41
AUD 9500 - Audited Attendance and Fiscal Report for Child Development Programs	42 - 53
AUD 8501 - Audited Attendance and Fiscal Report for California State Preschool Programs	54 - 65

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, 2020, 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, 2020, 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.

Emphasis of Matter

As described in Note 19 to the consolidated financial statements, on March 11, 2020 the World Health Organization declared the novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to this 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 and other supporting schedules, 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 29 - 65 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 15, 2020, 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 2019 consolidated financial statements, and our report dated December 12, 2019 expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



Armanino^{LLP}
San Francisco, California

December 15, 2020

Peninsula Family Service
Consolidated Statement of Financial Position
June 30, 2020
(With Comparative Totals for 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,768,990	\$ 985,717
Accounts and grants receivable, net	506,534	1,041,348
Prepaid and other current assets	<u>221,312</u>	<u>249,546</u>
Total current assets	<u>3,496,836</u>	<u>2,276,611</u>
Noncurrent assets		
Property and equipment, net	4,220,103	4,355,766
Investments	2,427,837	2,406,170
Refundable deposits	<u>2,701</u>	<u>2,701</u>
Total noncurrent assets	<u>6,650,641</u>	<u>6,764,637</u>
Total assets	<u><u>\$ 10,147,477</u></u>	<u><u>\$ 9,041,248</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 376,744	\$ 425,868
Accrued expenses	948,406	744,838
Deferred revenue	28,616	50,310
Refundable advance - PPP	904,402	-
Current portion of notes payable	<u>46,494</u>	<u>26,704</u>
Total current liabilities	<u>2,304,662</u>	<u>1,247,720</u>
Long-term liabilities		
Notes payable, net of current portion	380,148	348,481
Other liabilities	<u>53,580</u>	<u>69,935</u>
Total long-term liabilities	<u>433,728</u>	<u>418,416</u>
Total liabilities	<u>2,738,390</u>	<u>1,666,136</u>
Net assets		
Without donor restrictions		
Undesignated	4,921,422	4,848,326
Board-designated	<u>90,000</u>	<u>90,000</u>
Total without donor restrictions	5,011,422	4,938,326
With donor restrictions	<u>2,397,665</u>	<u>2,436,786</u>
Total net assets	<u>7,409,087</u>	<u>7,375,112</u>
Total liabilities and net assets	<u><u>\$ 10,147,477</u></u>	<u><u>\$ 9,041,248</u></u>

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, 2020
(With Comparative Totals for 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Revenues, gains and other support				
Grant income				
Early Head Start	\$ 1,189,608	\$ -	\$ 1,189,608	\$ 1,294,176
California Department of Education	5,298,657	-	5,298,657	5,137,209
County of San Mateo	873,276	-	873,276	553,910
National Council on Aging	1,154,671	-	1,154,671	1,169,023
Other grants	<u>2,146,502</u>	<u>-</u>	<u>2,146,502</u>	<u>2,251,352</u>
Total grant income	<u>10,662,714</u>	<u>-</u>	<u>10,662,714</u>	<u>10,405,670</u>
Contributions and other revenues				
Contributions	1,691,610	792,164	2,483,774	2,449,619
In-kind contributions	1,477,756	-	1,477,756	1,221,888
Program service fees	143,556	-	143,556	251,197
Other revenue	46,136	-	46,136	48,213
Interest and dividends	-	237,822	237,822	175,016
Realized and unrealized gains (losses) on investments, net	-	(111,911)	(111,911)	41,528
Net assets released from restriction	<u>957,196</u>	<u>(957,196)</u>	<u>-</u>	<u>-</u>
Total contributions and other revenues	<u>4,316,254</u>	<u>(39,121)</u>	<u>4,277,133</u>	<u>4,187,461</u>
Total revenues, gains and other support	<u>14,978,968</u>	<u>(39,121)</u>	<u>14,939,847</u>	<u>14,593,131</u>
Functional expenses				
Program services	12,190,940	-	12,190,940	12,288,070
Management and general	1,619,753	-	1,619,753	1,482,276
Fundraising	<u>1,095,179</u>	<u>-</u>	<u>1,095,179</u>	<u>1,000,183</u>
Total functional expenses	<u>14,905,872</u>	<u>-</u>	<u>14,905,872</u>	<u>14,770,529</u>
Change in net assets	73,096	(39,121)	33,975	(177,398)
Net assets, beginning of year	<u>4,938,326</u>	<u>2,436,786</u>	<u>7,375,112</u>	<u>7,552,510</u>
Net assets, end of year	<u>\$ 5,011,422</u>	<u>\$ 2,397,665</u>	<u>\$ 7,409,087</u>	<u>\$ 7,375,112</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, 2020
(With Comparative Totals for 2019)

	Program Services				Support Services		2020	2019
	Early Learning	Older Adults	Financial Empowerment	Total Program Services	Management and General	Fundraising	Total	Total
Personnel expenses								
Salaries and wages	\$ 4,365,357	\$ 648,593	\$ 1,365,067	\$ 6,379,017	\$ 948,502	\$ 725,248	\$ 8,052,767	\$ 7,721,530
Payroll taxes	328,151	49,668	104,927	482,746	72,558	49,006	604,310	607,743
Employee benefits	<u>1,207,181</u>	<u>109,820</u>	<u>96,774</u>	<u>1,413,775</u>	<u>146,192</u>	<u>101,191</u>	<u>1,661,158</u>	<u>1,540,863</u>
Total personnel expenses	5,900,689	808,081	1,566,768	8,275,538	1,167,252	875,445	10,318,235	9,870,136
Professional and outside services	584,000	62,355	125,859	772,214	47,585	13,754	833,553	1,088,085
Supplies	112,656	4,572	5,777	123,005	13,850	3,421	140,276	292,160
Refreshment and program food	320,729	38,135	3,183	362,047	9,504	2,340	373,891	537,430
Telephone and internet	47,643	11,041	14,615	73,299	8,786	5,110	87,195	84,430
Postage, delivery and printing	6,878	2,011	9,402	18,291	294	6,542	25,127	61,661
Occupancy	436,647	17,105	74,914	528,666	26,730	11,535	566,931	559,765
Insurance	44,377	5,290	24,434	74,101	4,399	3,393	81,893	82,287
IT, software and equipment	104,325	44,896	51,581	200,802	58,866	37,356	297,024	283,422
Travel	7,135	2,873	3,566	13,574	5,506	656	19,736	27,620
Conferences and trainings	26,595	3,048	970	30,613	10,792	6,447	47,852	70,709
Public relations	51,274	38,101	16,475	105,850	1,758	97,077	204,685	111,730
Miscellaneous expenses	7,583	2,159	86,372	96,114	416	1,315	97,845	133,200
In-kind expenses	<u>279,111</u>	<u>366,144</u>	<u>779,485</u>	<u>1,424,740</u>	<u>22,228</u>	<u>30,788</u>	<u>1,477,756</u>	<u>1,221,888</u>
Total expenses before depreciation	7,929,642	1,405,811	2,763,401	12,098,854	1,377,966	1,095,179	14,571,999	14,424,523
Depreciation	<u>91,024</u>	<u>-</u>	<u>1,062</u>	<u>92,086</u>	<u>241,787</u>	<u>-</u>	<u>333,873</u>	<u>346,006</u>
	<u>\$ 8,020,666</u>	<u>\$ 1,405,811</u>	<u>\$ 2,764,463</u>	<u>\$ 12,190,940</u>	<u>\$ 1,619,753</u>	<u>\$ 1,095,179</u>	<u>\$ 14,905,872</u>	<u>\$ 14,770,529</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, 2020
(With Comparative Totals for 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 33,975	\$ (177,398)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	333,873	346,006
Net realized and unrealized losses (gains) on investments	111,911	(41,528)
Debt forgiveness	(20,000)	-
Changes in operating assets and liabilities		
Accounts and grants receivable	534,814	180,987
Prepaid and other current assets	28,234	(11,312)
Accounts payable	(49,124)	(7,396)
Accrued expenses	203,568	70,314
Deferred revenue	(21,694)	1,220
Refundable advance - PPP	904,402	-
Reserve for loan guarantees	(16,355)	40,634
Net cash provided by operating activities	<u>2,043,604</u>	<u>401,527</u>
Cash flows from investing activities		
Purchases of property and equipment	(198,210)	(76,733)
Purchases of long-term investments	(513,549)	(448,402)
Proceeds from sales of investments	<u>379,971</u>	<u>377,296</u>
Net cash used in investing activities	<u>(331,788)</u>	<u>(147,839)</u>
Cash flows from financing activities		
Proceeds from note payable	98,182	-
Repayments of note payable	<u>(26,725)</u>	<u>(26,482)</u>
Net cash provided by (used in) financing activities	<u>71,457</u>	<u>(26,482)</u>
Net increase in cash	1,783,273	227,206
Cash, beginning of year	<u>985,717</u>	<u>758,511</u>
Cash, end of year	<u><u>\$ 2,768,990</u></u>	<u><u>\$ 985,717</u></u>

Supplemental disclosure of cash flow information

Cash paid during the year for interest	\$ 3,303	\$ 3,541
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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, 2020

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. 100% of children in our program are from low-income or poverty level families.
- *Older Adults Program* - PFS serves as a partner in ensuring that older adults in the community thrive and have connections with others. PFS 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, 2020

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.

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, 2020, 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.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents (continued)

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, 2020, there was no allowance for doubtful accounts.

Contributions receivable

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, 2020, there was no allowance for doubtful contributions.

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

Investments 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, 2020

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 revenue sources

Of the total revenue sources of the Organization, the California Department of Education accounted for approximately 40% of the total revenue of the Organization for the year ended June 30, 2020.

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.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

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 \$5,000. Depreciation and amortization is recorded over the useful lives of the property and equipment using the straight-line method.

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, 2020, 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, 2020 was \$585,760.

Revenue recognition

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 barrier has been overcome and right of release/right of return no longer exists.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

A major portion of the Organization's revenues is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. The Organization has been awarded cost-reimbursable grants of \$695,299 that have not been recognized at June 30, 2020 because qualifying expenditures have not yet been incurred.

In addition, 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.

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, 2020 was \$1,477,756.

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, 2020

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, 2020, 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, 2019 from which the summarized information was derived from.

Change in accounting principle

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-08, Not-For-Profit Entities (Topics 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU clarifies the criteria for evaluating whether a transaction is a contribution or an exchange transaction and whether a contribution is condition or unconditional. The Organization adopted ASU 2018-08 with a date of the initial application of July 1, 2019 using the modified prospective method. The adoption of ASU 2018-08 didn't have a significant impact on the Organization's financial position, change in net assets, or cash flows. The Organization has evaluated contributions received and contributions made and has determined that there is no change as a result of the adoption of the standard.

Subsequent events

The Organization has evaluated subsequent events through December 15, 2020, 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.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

3. ACCOUNTS AND GRANTS RECEIVABLE

Accounts and grants receivable as of June 30, 2020 consisted mainly of grants receivable from various funding agencies.

4. INVESTMENTS

Investments consisted of the following:

Mutual funds	\$ 1,812,567
Money market funds	557,240
Life insurance policies	<u>58,030</u>
	<u><u>\$ 2,427,837</u></u>

The following summarizes investment return for the year ended June 30, 2020

Interest and dividend income	\$ 237,822
Realized losses on investments	(250)
Unrealized losses on investments	(98,407)
Investment fees	<u>(13,254)</u>
	<u><u>\$ 125,911</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% 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.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

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, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual funds	\$ 1,812,567	\$ -	\$ -	\$ 1,812,567
Money market funds	557,240	-	-	557,240
Life insurance policies	<u>58,030</u>	<u>-</u>	<u>-</u>	<u>58,030</u>
	<u>\$ 2,427,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,427,837</u>

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Leasehold improvements	\$ 913,060
Buildings	6,843,439
Computer equipment	324,991
Furniture and fixtures	1,063,037
Land	<u>987,266</u>
	10,131,793
Accumulated depreciation and amortization	<u>(5,911,690)</u>
	<u>\$ 4,220,103</u>

Depreciation and amortization expense amounted to \$333,873 for the year ended June 30, 2020.

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, 2020 was 4.0%. The Organization has no outstanding balance at June 30, 2020.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

9. NOTES 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 was scheduled to 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.

The Organization received a \$100,000 loan from the City of San Mateo for the construction and expansion of a childcare facility for up to six participants. For each year the Organization satisfies the program requirements, as evidenced by the City's approval of the annual report, the City will forgive a portion of the loan in an amount equal to 20% of the original principal payment. In the event that the Organization satisfies the program requirements for five years during the loan term, the entire original loan amount shall be forgiven. For the year ended June 30, 2020, 20% of the loan amount has been forgiven.

Notes payable are detailed as follows:

Note payable to the County of San Mateo	\$ 348,460
Note payable to the City of San Mateo	<u>78,182</u>
	426,642
Current portion	<u>(46,494)</u>
	<u>\$ 380,148</u>

The future maturities of the notes payable are as follows:

<u>Year ending June 30,</u>	
2021	\$ 46,494
2022	46,740
2023	46,988
2024	47,239
2025	27,947
Thereafter	<u>211,234</u>
	<u>\$ 426,642</u>

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

10. PAYCHECK PROTECTION PROGRAM

On April 22, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the "PPP Lender"), for an aggregate principal amount of approximately \$1,819,042 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Organization's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The Organization intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and principal and interest payments will be required through the maturity date in April 2022. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

The Organization accounts for the PPP Loan using the conditional contribution model. The Organization recognized contribution revenue of \$914,640 from the PPP Loan for the year ended June 30, 2020 and the amount is included in other grants on the consolidated statement of activities. The remaining balance on the PPP Loan amounted to \$904,402 at June 30, 2020 and is included in refundable advance - PPP on the consolidated statement of financial position.

11. 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>

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Operations	\$ 440,049
Endowment funds	1,836,624
Life insurance policies	58,030
Fixed assets reserve	<u>62,962</u>
	<u>\$ 2,397,665</u>

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

13. 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:

- (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.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

13. ENDOWMENT (continued)

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.

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, 2020.

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	<u>Restricted</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	\$ <u>437,153</u>	\$ <u>1,399,471</u>	\$ <u>1,836,624</u>

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

13. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal year ended June 30, 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2019	\$ -	\$ 1,970,724	\$ 1,970,724
Investment return			
Investment income	-	237,822	237,822
Realized and unrealized loss	-	(111,911)	(111,911)
Total investment return	-	125,911	125,911
Appropriation of net assets	-	(260,011)	(260,011)
	-	(134,100)	(134,100)
Balance, June 30, 2020	<u>\$ -</u>	<u>\$ 1,836,624</u>	<u>\$ 1,836,624</u>

14. 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, 2020, the Organization contributed \$151,266 to the plan.

15. COMMITMENTS AND CONTINGENCIES

The Organization leases commercial properties under non-cancelable leases. Rent expense for the year ended June 30, 2020 was \$175,760.

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

<u>Year ending June 30,</u>	
2021	\$ 129,916
2022	89,510
2023	91,036
2024	53,598
2025	<u>32,019</u>
	<u>\$ 396,079</u>

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

16. 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.

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.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

17. 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, 2020 are nominal and not recognized by the Organization.

18. 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, 2020 to fund general expenditures and other obligations as they become due within one year:

Financial assets:	
Cash and cash equivalents	\$ 2,768,990
Accounts and grants receivable, net	506,534
Investments	<u>2,427,837</u>
	<u>5,703,361</u>
Less: limitations making financial assets unavailable for general expenditure	
Net assets with donor restrictions	<u>(2,397,665)</u>
	<u>(2,397,665)</u>
	<u>\$ 3,305,696</u>

19. RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared a novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders, including California, where the Organization is headquartered. In response, the U.S. Government enacted the CARES Act, which includes significant provisions to provide relief and assistance to affected organizations.

Peninsula Family Service
Notes to Consolidated Financial Statements
June 30, 2020

19. RISKS AND UNCERTAINTIES (continued)

Impacts to the Organization's operations include disruptions and restrictions on employees' ability to work and potential challenges with collectability of receivables. While the disruption from COVID-19 is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders and the ultimate financial impact. It is at least reasonably possible that this matter will negatively impact the Organization, however, the financial impact and duration cannot be reasonably estimated at this time.

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, 2020, 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 15, 2020.

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.

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

Armanino^{LLP}
San Francisco, California

December 15, 2020

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, 2020. 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, 2020.

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 15, 2020

Peninsula Family Service
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

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				
Direct awards				
Head Start				
Early Head Start	93.600	09CH9176/ 09CH011352	\$ 1,189,608	\$ -
Total direct awards			<u>1,189,608</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-9242	93.596	41-B629-00-7	501,371	2,026,984
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			<u>501,371</u>	<u>2,026,984</u>
Child Care and Development Block Grant				
CCTR-9242	93.575	41-B639-00-7	230,476	-
CSPP-9532		41-B640-00-7	-	2,539,826
Total Child Care and Development Block Grant			<u>230,476</u>	<u>2,539,826</u>
Total CCDF Cluster			<u>731,847</u>	<u>4,566,810</u>
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers				
Pass-through program from County of San Mateo				
Title IIIB: Information & Assistance	93.044	57000-20- R076561K	27,500	-
Total Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers			<u>27,500</u>	<u>-</u>
Special Programs for the Aging Title III, Part C Nutrition Services				
Pass-through program from County of San Mateo				
Title IIIB: Information & Assistance	93.045	57000-20- R076561K	35,190	-
Total Special Programs for the Aging Title III, Part C Nutrition Services			<u>35,190</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>1,984,145</u>	<u>4,566,810</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, 2020

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 Labor				
Senior Community Service Employment Program				
Pass-through program from National Council on Aging:				
National Council on Aging	17.235	31	<u>1,154,671</u>	<u>-</u>
Total U.S. Department of Labor			<u>1,154,671</u>	<u>-</u>
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	<u>216,590</u>	<u>-</u>
Total Child and Adult Care Food Program			<u>216,590</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>216,590</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		<u>152,971</u>	<u>-</u>
Total U.S. Department of Transportation			<u>152,971</u>	<u>-</u>
Total Expenditures of Federal and State Awards			<u>\$ 3,508,377</u>	<u>\$ 4,566,810</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, 2020

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, 2020. 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, 2020.

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, 2020

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	93.575 and 93.596
Senior Community Service Employment Program	17.235
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, 2020

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, 2020

There were no prior year findings.

SUPPORTING SCHEDULES REQUIRED BY THE CALIFORNIA DEPARTMENT OF EDUCATION

Peninsula Family Service
General Information
For the Year Ended June 30, 2020

Center Name	Peninsula Family Service
Contract Numbers	CCTR-9242 CSPP-9532
Project Number	41-OB629-00-9
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, 2019 through June 30, 2020
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, 2020

	California Department of Education Programs & Supplemental									
	General Center CCTR-9242	State Preschool CSPP-9532	Early Head Start HB & Admin	San Mateo County QRIS	SUHSD	1ST 5	Big Lift	Other Grants	Other Divisions	Total
Public support and revenue										
Grant income										
Early Head Start	\$ -	\$ -	\$ 1,189,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,189,608
California Department of Education	2,758,831	2,539,826	-	-	-	-	-	-	-	5,298,657
Child Care Food Program	112,066	104,524	-	-	-	-	-	-	-	216,590
County of San Mateo	-	-	-	64,200	-	-	-	-	809,076	873,276
Other grants	36,806	35,966	-	-	25,000	224,200	370,000	-	1,517,092	2,209,064
Paycheck Protection Program	-	-	-	-	-	-	-	605,784	308,856	914,640
Pledges and contributions										
Contributions	-	-	-	-	-	-	-	277,374	2,167,279	2,444,653
Contributions - in-kind	141,167	137,944	-	-	-	-	-	-	1,198,645	1,477,756
Earned income										
Fees - program Services	93,671	41,893	-	-	-	-	-	-	7,992	143,556
Other income										
Interest and dividends	-	-	-	-	-	-	-	-	237,822	237,822
Realized and unrealized gains on investments, net	-	-	-	-	-	-	-	-	(111,911)	(111,911)
Other income	-	-	-	-	-	-	-	-	46,136	46,136
Total public support and revenue	3,142,541	2,860,153	1,189,608	64,200	25,000	224,200	370,000	883,158	6,180,987	14,939,847
Expenditures										
Salaries and wages	1,401,305	1,209,042	676,218	44,317	18,694	130,838	222,222	662,722	3,687,409	8,052,767
Employee benefits	527,329	459,194	223,211	15,510	6,306	39,251	77,778	186,754	730,135	2,265,468
Professional & outside services	220,879	215,838	70,710	2,873	-	33,700	40,000	-	249,553	833,553
Supplies	43,402	42,412	26,842	-	-	-	-	-	27,620	140,276
Refreshment & program food	159,733	156,087	4,910	-	-	-	-	-	53,161	373,891
Telephone & internet	18,505	18,082	8,739	-	-	-	-	2,318	39,552	87,196
Postage, delivery & printing	3,112	3,041	725	-	-	-	-	-	18,249	25,127
Occupancy	188,058	183,766	33,459	-	-	-	-	31,364	130,285	566,932
Insurance	19,205	18,767	6,405	-	-	-	-	-	37,516	81,893
IT, software & equipment	37,587	36,729	30,010	-	-	-	-	-	192,698	297,024
Travel	1,552	1,517	4,067	-	-	-	-	-	12,600	19,736
Training and conferences	8,305	8,116	8,676	1,500	-	-	-	-	21,255	47,852
Public relations	25,933	25,340	-	-	-	-	-	-	153,412	204,685
Miscellaneous expense	3,756	3,671	156	-	-	-	-	-	90,259	97,842
In-kind expense	141,167	137,944	-	-	-	-	-	-	1,198,646	1,477,757
Depreciation	46,037	44,986	-	-	-	-	-	-	242,850	333,873
Sub-total before allocation of administrative and support expenditures	2,845,865	2,564,532	1,094,128	64,200	25,000	203,789	340,000	883,158	6,885,200	14,905,872
Allocation of administrative and support expenditures	329,348	321,831	95,480	-	-	20,411	30,000	-	(797,070)	-
Total expenditures	3,175,213	2,886,363	1,189,608	64,200	25,000	224,200	370,000	883,158	6,088,130	14,905,872
Change in net assets	\$ (32,672)	\$ (26,210)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,857	\$ 33,975

Peninsula Family Service
Combining Schedule of Renovation and Repair Expenditures
For the Year Ended June 30, 2020

	<u>General Center CCTR-9242</u>	<u>State Preschool CSPP-9532</u>	<u>Total</u>
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 Year Ended June 30, 2020

	<u>General Center</u> <u>CCTR-9242</u>	<u>State Preschool</u> <u>CSPP-9532</u>	<u>Total</u>
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 Administrative Costs
For the Year Ended June 30, 2020

	General Center <u>CCTR-9242</u>	State Preschool <u>CSPP-9532</u>	<u>Total</u>
Salaries and wages	\$ 230,420	\$ 225,161	\$ 455,581
Payroll taxes	17,627	17,224	34,851
Employee benefits	35,514	34,704	70,218
Professional fees and outside services	11,560	11,296	22,856
Supplies	3,365	3,288	6,653
Refreshment and program food	2,309	2,256	4,565
Telephone and internet	2,134	2,086	4,220
Postage, delivery and printing	72	70	142
Occupancy	6,494	6,345	12,839
Insurance	1,069	1,044	2,113
IT, software and equipment	14,300	13,974	28,274
Travel	1,338	1,307	2,645
Conference and training	2,622	2,562	5,184
Public relations	427	417	844
Miscellaneous	<u>97</u>	<u>97</u>	<u>194</u>
	<u><u>\$ 329,348</u></u>	<u><u>\$ 321,831</u></u>	<u><u>\$ 651,179</u></u>

Peninsula Family Service
Combining Schedule of Expenditures by State Categories
For the Year Ended June 30, 2020

	General Center CCTR-9242	State Peschool CSPP-9532	Total
Expenditures			
Direct Payments to Providers			
1000 Certificated Salaries	\$ 966,900	\$ 837,369	\$ 1,804,269
2000 Classified Salaries	434,405	371,673	806,078
3000 Employee Benefits	527,329	459,194	986,523
4000 Books and Supplies	43,402	42,412	85,814
5000 Services and Other Operating Expenses	1,157,140	1,130,729	2,287,869
6100/6200 Other Approved Capital Outlay	-	-	-
6400 New Equipment (program related)	-	-	-
6500 Equipment Replacement (program related)	-	-	-
Depreciation or Use Allowance	46,037	44,986	91,023
Start-up Expenses (service level exemption)	-	-	-
Indirect Costs (include in Administrative Cost)	-	-	-
Total Expenses Claimed for Reimbursement	3,175,213	2,886,363	6,061,576
Supplemental Expenses	1,655,689	1,100,475	2,756,164
Total Expenditures	<u>\$ 4,830,902</u>	<u>\$ 3,986,838</u>	<u>\$ 8,817,740</u>

California Department of Education Audited Attendance and Fiscal Report for Child Development Programs with Early Childhood Mental Health Consultation Services

Fiscal Year Ending **June 30, 2020**

Contract Number **CCTR-9242**

Vendor Code **B629**

A U D 9500MHCS Page 1 of 12

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 9500MHCS	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				2.9292	0
Infants (up to 18 months) Full-time	5,960		5,960	2.4900	14,840.4
Infants (up to 18 months) Three-quarters-time	104		104	1.8800	195.52
Infants (up to 18 months) One-half-time				1.3920	0
Toddlers (18 up to 36 months) Full-time-plus				2.1740	0
Toddlers (18 up to 36 months) Full-time	17,599		17,599	1.8500	32,558.15
Toddlers (18 up to 36 months) Three-quarters-time	305		305	1.4000	427
Toddlers (18 up to 36 months) One-half-time				1.0400	0
Three Years and Older Full-time-plus				1.2300	0
Three Years and Older Full-time	57		57	1.0500	59.85
Three Years and Older Three-quarters-time				0.8000	0
Three Years and Older One-half-time				0.6000	0
Exceptional Needs Full-time-plus				1.8672	0
Exceptional Needs Full-time				1.5900	0
Exceptional Needs Three-quarters-time				1.2050	0
Exceptional Needs One-half-time				0.8970	0

Full Name of Contractor Peninsula Family Service

Section 1 - Days of Enrollment Certified Children in Classrooms with Mental Health Consultation Services Recipient(s) (continued)

	Column A Cumulative CDNFS 9500MHCS	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				1.3480	0
Limited and Non-English Proficient Full-time	32		32	1.1500	36.8
Limited and Non-English Proficient Three-quarters-time				0.8750	0
Limited and Non-English Proficient One-half-time				0.6550	0
At Risk of Abuse or Neglect Full-time-plus				1.3480	0
At Risk of Abuse or Neglect Full-time	1		1	1.1500	1.15
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				2.3274	0
Severely Disabled Full-time				1.9800	0
Severely Disabled Three-quarters-time				1.4975	0
Severely Disabled One-half-time				1.1115	0
TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES RECIPIENT(S)	24,058		24,058	N/A	48,118.87
DAYS OF OPERATION	246		246	N/A	N/A
DAYS OF ATTENDANCE	23,996		23,996	N/A	N/A

☐ NO MENTAL HEALTH CONSULTATION SERVICES RECIPIENT NON-CERTIFIED CHILDREN
Check this box (omit page 3-4) and continue to Certified Children Section on page 5.

Full Name of Contractor Peninsula Family Service

Section 2 - Days of Enrollment Non-Certified Children in Classrooms with Mental Health Consultation Services Recipient(s)

	Column A Cumulative CDNFS 9500MHCS	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				2.9292	0
Infants (up to 18 months) Full-time				2.4900	0
Infants (up to 18 months) Three-quarters-time				1.8800	0
Infants (up to 18 months) One-half-time				1.3920	0
Toddlers (18 up to 36 months) Full-time-plus				2.1740	0
Toddlers (18 up to 36 months) Full-time				1.8500	0
Toddlers (18 up to 36 months) Three-quarters-time				1.4000	0
Toddlers (18 up to 36 months) One-half-time				1.0400	0
Three Years and Older Full-time-plus				1.2300	0
Three Years and Older Full-time				1.0500	0
Three Years and Older Three-quarters-time				0.8000	0
Three Years and Older One-half-time				0.6000	0
Exceptional Needs Full-time-plus				1.8672	0
Exceptional Needs Full-time				1.5900	0
Exceptional Needs Three-quarters-time				1.2050	0
Exceptional Needs One-half-time				0.8970	0

Full Name of Contractor Peninsula Family Service

Section 2 - Days of Enrollment Non-Certified Children in Classrooms with Mental Health Consultation Services Recipient(s)
(continued)

	Column A Cumulative CDNFS 9500MHCS	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				1.3480	0
Limited and Non-English Proficient Full-time				1.1500	0
Limited and Non-English Proficient Three-quarters-time				0.8750	0
Limited and Non-English Proficient One-half-time				0.6550	0
At Risk of Abuse or Neglect Full-time-plus				1.3480	0
At Risk of Abuse or Neglect Full-time				1.1500	0
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				2.3274	0
Severely Disabled Full-time				1.9800	0
Severely Disabled Three-quarters-time				1.4975	0
Severely Disabled One-half-time				1.1115	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES RECIPIENT(S)				N/A	0

Full Name of Contractor Peninsula Family Service

Section 3 - Days of Enrollment Certified Children

	Column A Cumulative CDNFS 9500MHCS	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				2.8792	0
Infants (up to 18 months) Full-time				2.4400	0
Infants (up to 18 months) Three-quarters-time				1.8300	0
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	1,229		1,229	1.0000	1,229
Three Years and Older Three-quarters-time	1,858		1,858	0.7500	1,393.5
Three Years and Older One-half-time	5,465		5,465	0.5500	3,005.75
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time	101		101	0.8470	85.547

Full Name of Contractor Peninsula Family Service

Section 3 - Days of Enrollment Certified Children (continued)

	Column A Cumulative CDNFS 9500MHCS	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	1,200		1,200	1.1000	1,320
Limited and Non-English Proficient Three-quarters-time	435		435	0.8250	358.875
Limited and Non-English Proficient One-half-time	5,346		5,346	0.6050	3,234.33
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time	7		7	1.1000	7.7
At Risk of Abuse or Neglect Three-quarters-time	101		101	0.8250	83.325
At Risk of Abuse or Neglect One-half-time	33		33	0.6050	19.965
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
TOTAL CERTIFIED DAYS OF ENROLLMENT	15,775		15,775	N/A	10,737.992
DAYS OF OPERATION	246		246	N/A	N/A
DAYS OF ATTENDANCE	15,691		15,691	N/A	N/A

☐ NO NON-CERTIFIED CHILDREN Check this box (omit pages 7-8) and continue to Revenue Section on page 9.

Full Name of Contractor Peninsula Family Service

Section 4 - Days of Enrollment Non-Certified Children

	Column A Cumulative CDNFS 9500MHCS	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				2.8792	0
Infants (up to 18 months) Full-time				2.4400	0
Infants (up to 18 months) Three-quarters-time				1.8300	0
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	293		293	1.0000	293
Three Years and Older Three-quarters-time	1,243		1,243	0.7500	932.25
Three Years and Older One-half-time	1,066		1,066	0.5500	586.3
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Full Name of Contractor Peninsula Family Service

Section 4 - Days of Enrollment Non-Certified Children (continued)

	Column A Cumulative CDNFS 9500MHCS	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	1		1	0.8250	0.825
Limited and Non-English Proficient One-half-time				0.6050	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				0.6050	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	2,603		2,603	N/A	1,812.375

Full Name of Contractor

Peninsula Family Service

Section 5 - Revenue

	Column A Cumulative CDNFS 9500MHCS	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	112,066		112,066
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other: In-Kind	36,442	104,725	141,167
Restricted Income - Subtotal	148,508	104,725	253,233
Transfer From Reserve			
Family Fees for Certified Children	23,286		23,286
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children	64,509	5,876	70,385
Unrestricted Income - Head Start			
Unrestricted Income - Other: Other Grants	26,691	10,115	36,806
Total Revenue	262,994	120,716	383,710

Comments:

Full Name of Contractor Peninsula Family Service

Section 6 - Reimbursable Expenses

	Column A Cumulative CDNFS 9500MHCS	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	967,496	-596	966,900
2000 Classified Salaries	434,672	-267	434,405
3000 Employee Benefits	527,495	-166	527,329
4000 Books and Supplies	47,749	-4,347	43,402
5000 Services and Other Operating Expenses	1,050,561	106,579	1,157,140
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	46,411	-374	46,037
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	3,074,384	100,829	3,175,213
Total Administrative Cost (included in Section 6 above)	335,187	-5,839	329,348
Total Staff Training Cost (included in Section 6 above)			

Approved Indirect Cost Rate:

☐ No SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 11.

Full Name of Contractor Peninsula Family Service

Section 7 - Supplemental Revenue

	Column A Cumulative CDNFS 9500MHCS	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding	1,381,671	-36,880	1,344,791
Other: Payroll Protection Program		310,898	310,898
Other:			
Total Supplemental Revenue	1,381,671	274,018	1,655,689

Section 8 - Supplemental Expenses

	Column A Cumulative CDNFS 9500MHCS	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	563,730	144,163	707,893
2000 Classified Salaries	253,270	64,769	318,039
3000 Employee Benefits	272,248	50,044	322,292
4000 Books and Supplies	26,842		26,842
5000 Services and Other Operating Expenses	265,581	15,042	280,623
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
Total Supplemental Expenses	1,381,671	274,018	1,655,689

Full Name of Contractor Peninsula Family Service

Section 9 - Summary

	Column A Cumulative CDNFS 9500MHCS	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment (including MHCS)	39,833		39,833
Days of Operation	246		246
Days of Attendance	39,687		39,687
Restricted Program Income	148,508	104,725	253,233
Transfer from Reserve			
Family Fees for Certified Children	23,286		23,286
Interest Earned on Child Development Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	3,074,384	100,829	3,175,213
Total Administrative Cost	335,187	-5,839	329,348
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment 58,856.862

Total Non-Certified Adjusted Days of Enrollment 1,812.375

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 (select YES or NO from the drop-down box):

YES

Reimbursable expenses claimed on page 10 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box):

YES

Include any comments in the comments box on page 9. If necessary, attach additional sheets to explain adjustments.

California Department of Education Audited Attendance and Fiscal Report for California State Preschool Programs Early Childhood Mental Health Consultation Services

A U D 8501MHCS Page 1 of 12

Fiscal Year Ending **June 30, 2020**

Contract Number **CSPP-9532**

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 8501MHCS	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	19,857		19,857	1.0500	20,849.85
Three Years and Older Three-quarters-time	1,160		1,160	0.8000	928
Three Years and Older One-half-time	334		334	0.6693	223.5462
Exceptional Needs Full-time-plus				1.8672	0
Exceptional Needs Full-time	3,023		3,023	1.5900	4,806.57
Exceptional Needs Three-quarters-time	158		158	1.2050	190.39
Exceptional Needs One-half-time	246		246	1.0037	246.9102
Limited and Non-English Proficient Full-time-plus				1.3480	0
Limited and Non-English Proficient Full-time	23,671		23,671	1.1500	27,221.65
Limited and Non-English Proficient Three-quarters-time	816		816	0.8750	714
Limited and Non-English Proficient One-half-time	2,607		2,607	0.6693	1,744.8651

Full Name of Contractor Peninsula Family Service

Section 1 - Days of Enrollment Certified Children in Classrooms with Mental Health Consultation Services Recipient(s) (continued)

	Column A Cumulative CDNFS 8501MHCS	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	511		511	1.1500	587.65
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				2.3274	0
Severely Disabled Full-time				1.9800	0
Severely Disabled Three-quarters-time				1.4975	0
Severely Disabled One-half-time				1.2452	0
TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES RECIPIENT(S)	52,383		52,383	N/A	57,513.4315
DAYS OF OPERATION	246		246	N/A	N/A
DAYS OF ATTENDANCE	52,230		52,230	N/A	N/A

☐ NO MENTAL HEALTH CONSULTATION SERVICES RECIPIENT NON-CERTIFIED CHILDREN Check this box (omit pages 3 and 4) and continue to Certified Children Section on page 5.

Full Name of Contractor Peninsula Family Service

Section 2 - Days of Enrollment Non-Certified Children in Classrooms with Mental Health Consultation Services Recipient(s)

	Column A Cumulative CDNFS 8501MHCS	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				2.1740	0
Toddlers (18 up to 36 months) Full-time				1.8500	0
Toddlers (18 up to 36 months) Three-quarters-time				1.4000	0
Toddlers (18 up to 36 months) One-half-time				1.0400	0
Three Years and Older Full-time-plus				1.2300	0
Three Years and Older Full-time				1.0500	0
Three Years and Older Three-quarters-time				0.8000	0
Three Years and Older One-half-time				0.6693	0
Exceptional Needs Full-time-plus				1.8672	0
Exceptional Needs Full-time				1.5900	0
Exceptional Needs Three-quarters-time				1.2050	0
Exceptional Needs One-half-time				1.0037	0

Full Name of Contractor Peninsula Family Service

Section 2 - Days of Enrollment Non-Certified Children in Classrooms with Mental Health Consultation Services Recipient(s)
(continued)

	Column A Cumulative CDNFS 8501MHCS	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				1.3480	0
Limited and Non-English Proficient Full-time				1.1500	0
Limited and Non-English Proficient Three-quarters-time				0.8750	0
Limited and Non-English Proficient One-half-time				0.6693	0
At Risk of Abuse or Neglect Full-time-plus				1.3480	0
At Risk of Abuse or Neglect Full-time				1.1500	0
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				2.3274	0
Severely Disabled Full-time				1.9800	0
Severely Disabled Three-quarters-time				1.4975	0
Severely Disabled One-half-time				1.2452	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES RECIPIENT(S)				N/A	0

Full Name of Contractor Peninsula Family Service

Section 3 - Days of Enrollment Certified Children

	Column A Cumulative CDNFS 8501MHCS	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				1.0000	0
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				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.9537	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				0.6193	0

Full Name of Contractor Peninsula Family Service

Section 3 - Days of Enrollment Certified Children (continued)

	Column A Cumulative CDNFS 8501MHCS	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				0.6193	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
TOTAL DAYS OF ENROLLMENT				N/A	0
DAYS OF OPERATION	246		246	N/A	N/A
DAYS OF ATTENDANCE				N/A	N/A

☐ NO NON-CERTIFIED CHILDREN Check this box (omit pages 7 and 8) and continue to Revenue Section on page 9.

Full Name of Contractor Peninsula Family Service

Section 4 - Days of Enrollment Non-Certified Children

	Column A Cumulative CDNFS 8501MHCS	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				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	31		31	1.0000	31
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				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.9537	0

Full Name of Contractor Peninsula Family Service

Section 4 - Days of Enrollment Non-Certified Children (continued)

	Column A Cumulative CDNFS 8501MHCS	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
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	31		31	N/A	31

Full Name of Contractor

Peninsula Family Service

Section 5 - Revenue

	Column A Cumulative CDNFS 8501MHCS	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	104,524		104,524
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other: In-Kind	35,611	102,333	137,944
Restricted Income - Subtotal	140,135	102,333	242,468
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Transfer from Reserve Total			
Family Fees for Certified Children	39,693		39,693
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children	2,200		2,200
Unrestricted Income - Head Start			
Unrestricted Income - Other: Other Grants	26,081	9,885	35,966
TOTAL REVENUE	208,109	112,218	320,327

Comments:

Full Name of Contractor Peninsula Family Service

Section 6 - Reimbursable Expenses

	Column A Cumulative CDNFS 8501MHCS	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	839,777	-2,408	837,369
2000 Classified Salaries	377,291	-5,618	371,673
3000 Employee Benefits	461,871	-2,677	459,194
4000 Books and Supplies	46,659	-4,247	42,412
5000 Services and Other Operating Expenses	1,026,582	104,147	1,130,729
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	45,351	-365	44,986
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	2,797,531	88,832	2,886,363
Total Administrative Cost (included in Section 6 above)	327,536	-5,705	321,831
Total Staff Training Cost (included in Section 6 above)			

Approved Indirect Cost Rate:

☐ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 11.

Full Name of Contractor Peninsula Family Service

Section 7 - Supplemental Revenue

	Column A Cumulative CDNFS 8501MHCS	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding	752,659	52,931	805,590
Other: Paycheck Protection Program		294,885	294,885
Other:			
Total Supplemental Revenue	752,659	347,816	1,100,475

Section 8 - Supplemental Expenses

	Column A Cumulative CDNFS 8501MHCS	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	323,523	179,541	503,064
2000 Classified Salaries	145,347	80,667	226,014
3000 Employee Benefits	157,560	68,958	226,518
4000 Books and Supplies			
5000 Services and Other Operating Expenses	126,229	18,650	144,879
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
Total Supplemental Expenses	752,659	347,816	1,100,475

Full Name of Contractor Peninsula Family Service

Section 9 - Summary

	Column A Cumulative CDNFS 8501MHCS	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment (including MHCS)	52,383		52,383
Days of Operation	246		246
Days of Attendance (including MHCS)	52,230		52,230
Restricted Program Income	140,135	102,333	242,468
Transfer from Reserve			
Family Fees for Certified Children	39,693		39,693
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	2,797,531	88,832	2,886,363
Total Administrative Cost	327,536	-5,705	321,831
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment 57,513.4315

Total Non-Certified Adjusted Days of Enrollment 31

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 (select YES or NO from the drop-down box):

Yes

Reimbursable expenses claimed on page 10 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box):

Yes

Include any comments in the comments box on page 9. If necessary, attach additional sheets to explain adjustments.