

## **Peninsula Family Service**

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

June 30, 2022  
(With Comparative Totals for 2021)



## TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 3
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 29
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>	31 - 32
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	33 - 35
Schedule of Expenditures of Federal and State Awards	36 - 37
Notes to Schedule of Expenditures of Federal and State Awards	38
Schedule of Findings and Questioned Costs	39 - 40
Summary Schedule of Prior Audit Findings	41
Supporting Schedules Required by the California Department of Education	
General Information	43
Combining Statement of Activities	44
Combining Schedule of Renovation and Repair Expenditures	45
Combining Schedule of Claimed Equipment Expenditures	46
Combining Schedule of Administrative Costs	47
Combining Schedule of Expenditures by State Categories	48
Notes to Child Care Supplementary Information	49
AUD 9500 - Audited Attendance and Fiscal Report for Child Development Programs	50 - 61
AUD 8501 - Audited Attendance and Fiscal Report for California State Preschool Programs	62 - 71

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Peninsula Family Service  
San Mateo, California

### Opinion

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, 2022, 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.

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, 2022, 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.

### Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Peninsula Family Service and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Report on Summarized Comparative Information

We have previously audited Peninsula Family Service's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Peninsula Family Service's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Peninsula Family Service's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Peninsula Family Service's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying supplementary information shown on pages 43 - 71 for California Department of Education is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 14, 2022, 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.



Armanino<sup>LLP</sup>  
San Francisco, California

December 14, 2022

Peninsula Family Service  
Consolidated Statement of Financial Position  
June 30, 2022  
(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,382,617	\$ 1,400,398
Accounts and grants receivable	2,222,816	1,182,700
Prepaid and other current assets	<u>276,701</u>	<u>233,484</u>
Total current assets	<u>3,882,134</u>	<u>2,816,582</u>
Noncurrent assets		
Investments	3,002,256	3,160,455
Accounts and grants receivable, net	250,418	92,000
Refundable deposits	2,701	2,701
Property and equipment, net	<u>4,024,732</u>	<u>4,092,106</u>
Total noncurrent assets	<u>7,280,107</u>	<u>7,347,262</u>
Total assets	<u><u>\$ 11,162,241</u></u>	<u><u>\$ 10,163,844</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 608,463	\$ 470,417
Accrued expenses	1,843,764	1,101,046
Deferred revenue	215,816	28,616
Current portion of notes payable	<u>40,170</u>	<u>46,740</u>
Total current liabilities	<u>2,708,213</u>	<u>1,646,819</u>
Long-term liabilities		
Notes payable, net of current portion	292,287	332,934
Other liabilities	<u>75,578</u>	<u>58,681</u>
Total long-term liabilities	<u>367,865</u>	<u>391,615</u>
Total liabilities	<u>3,076,078</u>	<u>2,038,434</u>
Net assets		
Without donor restrictions		
Undesignated	4,475,392	4,796,176
Board-designated	<u>90,000</u>	<u>90,000</u>
Total without donor restrictions	4,565,392	4,886,176
With donor restrictions	<u>3,520,771</u>	<u>3,239,234</u>
Total net assets	<u>8,086,163</u>	<u>8,125,410</u>
Total liabilities and net assets	<u><u>\$ 11,162,241</u></u>	<u><u>\$ 10,163,844</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, 2022  
(With Comparative Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Revenues, gains and other support				
Grant income				
Early Head Start	\$ 1,602,368	\$ -	\$ 1,602,368	\$ 1,356,735
California Department of Education	7,765,091	-	7,765,091	6,055,756
County of San Mateo	1,295,014	-	1,295,014	1,310,397
National Council on Aging	1,133,230	-	1,133,230	1,197,646
Other grants	904,050	-	904,050	1,881,642
Total grant income	<u>12,699,753</u>	<u>-</u>	<u>12,699,753</u>	<u>11,802,176</u>
Contributions	1,995,854	1,308,584	3,304,438	2,912,964
In-kind contributions	1,734,455	-	1,734,455	1,477,855
Program service fees	6,822	-	6,822	5,538
Other revenue	56,268	-	56,268	58,177
Interest and dividends	127,120	98,692	225,812	239,302
Realized and unrealized gains (losses) on investments, net	-	(378,417)	(378,417)	473,211
Net assets released from restriction	<u>747,322</u>	<u>(747,322)</u>	<u>-</u>	<u>-</u>
Total	<u>4,667,841</u>	<u>281,537</u>	<u>4,949,378</u>	<u>5,167,047</u>
Total revenues, gains and other support	<u>17,367,594</u>	<u>281,537</u>	<u>17,649,131</u>	<u>16,969,223</u>
Functional expenses				
Program services	14,413,433	-	14,413,433	13,387,548
Management and general	2,173,203	-	2,173,203	1,693,914
Fundraising	1,101,742	-	1,101,742	1,171,438
Total functional expenses	<u>17,688,378</u>	<u>-</u>	<u>17,688,378</u>	<u>16,252,900</u>
Change in net assets	(320,784)	281,537	(39,247)	716,323
Net assets, beginning of year	<u>4,886,176</u>	<u>3,239,234</u>	<u>8,125,410</u>	<u>7,409,087</u>
Net assets, end of year	<u>\$ 4,565,392</u>	<u>\$ 3,520,771</u>	<u>\$ 8,086,163</u>	<u>\$ 8,125,410</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, 2022  
(With Comparative Totals for 2021)

	Program Services				Support Services		2022	2021
	Early Learning	Older Adults	Financial Empowerment	Total Program Services	Management and General	Fundraising	Total	Total
Personnel expenses								
Salaries and wages	\$ 5,115,680	\$ 776,897	\$ 1,425,876	\$ 7,318,453	\$ 1,256,299	\$ 694,832	\$ 9,269,584	\$ 8,720,681
Payroll taxes	402,077	64,733	111,222	578,032	91,131	51,891	721,054	656,901
Employee benefits	<u>1,540,093</u>	<u>211,173</u>	<u>116,079</u>	<u>1,867,345</u>	<u>191,120</u>	<u>104,854</u>	<u>2,163,319</u>	<u>2,098,215</u>
Total personnel expenses	7,057,850	1,052,803	1,653,177	9,763,830	1,538,550	851,577	12,153,957	11,475,797
Professional and outside services	286,333	123,006	106,173	515,512	145,505	50,098	711,115	406,322
Supplies	253,312	6,051	7,347	266,710	26,453	3,973	297,136	474,654
Refreshment and program food	314,528	97,403	2,591	414,522	18,934	780	434,236	357,793
Telephone and internet	81,027	13,658	22,836	117,521	11,941	6,116	135,578	97,670
Postage, delivery and printing	4,824	2,645	5,283	12,752	632	260	13,644	9,696
Occupancy	651,093	26,672	77,571	755,336	10,686	17,985	784,007	676,720
Insurance	49,198	6,094	28,223	83,515	4,694	3,779	91,988	85,520
IT, software and equipment	227,699	97,912	97,559	423,170	43,705	29,729	496,604	369,410
Travel	6,110	1,137	3,154	10,401	10,820	77	21,298	5,591
Conferences and trainings	55,224	438	377	56,039	23,848	4,281	84,168	45,710
Public relations	9,189	22,435	19,170	50,794	1,217	109,485	161,496	244,886
Miscellaneous expenses	8,814	2,577	127,547	138,938	35,628	2,095	176,661	154,667
In-kind expenses	<u>656,145</u>	<u>520,724</u>	<u>536,079</u>	<u>1,712,948</u>	<u>-</u>	<u>21,507</u>	<u>1,734,455</u>	<u>1,477,855</u>
Total expenses before depreciation	9,661,346	1,973,555	2,687,087	14,321,988	1,872,613	1,101,742	17,296,343	15,882,291
Depreciation	<u>87,923</u>	<u>-</u>	<u>3,522</u>	<u>91,445</u>	<u>300,590</u>	<u>-</u>	<u>392,035</u>	<u>370,609</u>
	<u>\$ 9,749,269</u>	<u>\$ 1,973,555</u>	<u>\$ 2,690,609</u>	<u>\$ 14,413,433</u>	<u>\$ 2,173,203</u>	<u>\$ 1,101,742</u>	<u>\$ 17,688,378</u>	<u>\$ 16,252,900</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, 2022  
(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (39,247)	\$ 716,323
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	392,035	370,609
Net realized and unrealized losses (gains) on investments	378,417	(473,211)
Debt forgiveness	(20,000)	(20,000)
Changes in operating assets and liabilities		
Accounts and grants receivable	(1,198,534)	(768,166)
Prepaid and other current assets	(43,217)	(12,172)
Accounts payable	138,046	93,673
Accrued expenses	742,718	152,640
Deferred revenue	187,200	-
Refundable advance - PPP	-	(904,402)
Other liabilities	16,898	5,101
Net cash provided by (used in) operating activities	<u>554,316</u>	<u>(839,605)</u>
Cash flows from investing activities		
Purchases of property and equipment	(324,662)	(242,612)
Purchases of long-term investments	(392,465)	(680,651)
Proceeds from sales of investments	172,247	421,244
Net cash used in investing activities	<u>(544,880)</u>	<u>(502,019)</u>
Cash flows from financing activities		
Repayments of note payable	(27,217)	(26,968)
Net cash used in financing activities	<u>(27,217)</u>	<u>(26,968)</u>
Net decrease in cash	(17,781)	(1,368,592)
Cash and cash equivalents, beginning of year	<u>1,400,398</u>	<u>2,768,990</u>
Cash and cash equivalents, end of year	<u>\$ 1,382,617</u>	<u>\$ 1,400,398</u>

Supplemental disclosure of cash flow information

Cash paid during the year for interest	\$ 2,811	\$ 3,059
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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, 2022

1. NATURE OF OPERATIONS

Peninsula Family Service strengthens our community by providing children, families, and older adults the support and tools to realize their full potential and lead healthy, stable lives. We envision a community where opportunity, financial stability, and wellness are secured for all.

Peninsula Family Service provides comprehensive services that support individuals and families at various stages of life. Founded in 1950, Peninsula Family Service has served our community for 71 years, providing innovative, professionally-led, locally-targeted solutions to secure the wellness and stability of our neighbors. We provide these services in three priority program areas: early learning, financial empowerment, and older adult services.

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

Early Learning

We open doors to learning, health, and stability for children (six weeks to eleven years old). We change the lives of our children and families by providing opportunity for healthy growth and high-quality early learning curriculum so they can thrive.

*Early Learning Centers* - Our eight child development centers provide children (six weeks to five years old) from low-income and poverty-level families, including those who experience homelessness, with a safe, nurturing environment where they can learn, socialize, and thrive. We fuel that growth by providing nutritious meals - a healthy morning and afternoon snack, and lunch. The earliest years of infancy to preschool form a critical growth stage when more than 90 percent of brain development occurs. To achieve our goal of securing opportunity for every child in our community, we concentrate our early learning efforts on the neighborhoods and populations that need it most.

*Therapeutic Interventions* - We are known for excellence in assessment and customized, targeted interventions for our children who have experienced trauma.

*Serving Children Experiencing Homelessness* - Two of our early learning centers are dedicated to children living in transitional or emergency housing.

*High Quality Curriculum* - We provide high-quality early learning curriculum taught in each of our early learning classrooms for all ages of our children: infants, toddlers, and preschoolers.

*STEM from the Start* - Peninsula Family Service is known for our STEM from the Start program, building comprehensive STEM curriculum and fully trained teachers for our children from infants through school-age.

*School-Age After School and Summer Programs* - We extend our program to school-age children as we provide our Club program of after-school and summer learning for children ages 5 to 11 (kindergarten through 5th grade).

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

1. NATURE OF OPERATIONS (continued)

Early Learning (continued)

*Family Engagement* - We support the development of our children at home by educating parents on healthy parenting and the latest early childhood development techniques. We connect families to physical and behavioral health resources; work one-on-one with parents to ensure their needs as a family-unit are met; and educate parents on the latest early childhood development techniques so they can nurture their children's development during the critical early years.

Financial Empowerment

We open doors to financial education, services, and tools. We change lives by empowering individuals to take control of their financial futures.

*Financial Education* - Financial workshops educate participants on budgeting, spending habits, and credit building. All participants must successfully complete these workshops before receiving additional support or tools.

*Accessible Loans* - After completing financial education, we provide people with the tools to rebuild their financial futures. This includes offering accessible auto loan options, to those who qualify to pay but have low credit scores, such as the DriveForward (and DriveForward Electric) Vehicle Loan Program which enables the purchase of a quality used vehicle.

*Banking Alternatives* - Individuals who do not have access to traditional banking services can access tools to rebuild their credit, such as zero-interest social loans (Lending Circles). In addition, we offer a low-cost money management tool, a VISA Prepaid Debit Card, to help individuals who do not have access to bank checking accounts.

Employment Services

We open doors to financial stability. Peninsula Family Service is a leading organization in employment for adults age 50+ with two unique programs.

*The Senior Community Service Employment Program (SCSEP)* program assists adults age 55+ living in San Mateo County in their search for employment by providing guidance, direction, resources, paid classroom training, job match up, and placement.

*The Mature Worker Program* is for adults age 50+ living in Santa Clara County in collaboration with NOVAworks. Participants learn age-neutral resume writing and interview strategies, have opportunities to network, and attend specialized workshops.

Please note that Employment Services are currently presented as part of the Financial Empowerment program on the Consolidated Statement of Functional Expenses.

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

1. NATURE OF OPERATIONS (continued)

Older Adult Services

We open doors to independence, wellness, and engagement for older adults. We change lives by providing opportunities for older individuals in our community to connect and thrive.

*Peer Counseling* - Trained volunteer counselors offer one-on-one or group support and companionship to diverse community members (aged 55+). The program offers services in English, Mandarin, Spanish, Tagalog, and to our LGBTQ+ community.

*Fair Oaks Adult Activity Center* - The center offers many programs and services that empower older adults to improve their health, social lives, and personal fulfillment. Participants have access to a variety of group social activities, fitness classes, health screenings, information, and assistance. They may also share a nutritious lunch each day, as well as take home groceries and vegetables from the garden.

*Technology-based Support* - "Help@Hand" was designed for older adults to access on-demand emotional support using a new digital application, "WYSA". We provide support and training to enable access to this technology through groups trainings "Let's Talk".

*Transportation* - The "Got Wheels" program provides subsidized, on-demand taxi services to eligible adults (70+) in twelve Peninsula cities. Members can get subsidized rides within this geographic area and to the San Francisco International Airport. Drivers are trained to provide "arm in arm" support and vehicles are fully accessible for passengers.

*Professional Therapy* - Through "You Talk, We Listen" program participants can sign up for subsidized professional therapy for up to a total of twelve sessions. Short Term confidential counseling in English or Spanish for San Mateo County residents who are at least 55 years old, provided by a licensed therapist. Individual, Couple, or Family therapy available with a \$15.00 co-pay per visit.

On February 25, 2016, Peninsula Family Service incorporated a California for-profit entity, DriveFoward, LLC ("DF"), to strengthen the financial empowerment line of development. Peninsula Family Service 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, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of consolidation

The consolidated financial statements include the accounts of Peninsula Family Service 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, 2022, 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, 2022

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, 2022, 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, 2022, 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, 2022

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 44% of the total revenue of the Organization for the year ended June 30, 2022.

Concentration of credit risk

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

Property and equipment

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

The Organization capitalizes and depreciates or amortizes all property and equipment in accordance with its policies and reports the transactions in the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. The Organization's capitalization threshold is \$5,000. Depreciation and amortization is recorded over the useful lives of the property and equipment using the straight-line method.

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-lived assets

The Organization reviews the carrying value of property, equipment and intangible assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where the expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. As of June 30, 2022, 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, 2022 was \$668,769.

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.

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 approximately \$839,000 that have not been recognized at June 30, 2022 because qualifying expenditures have not yet been incurred.

In addition, the Organization receives family fee and tuition revenue for childcare services based on a set fee schedule and income guidelines. Revenue is recognized as services are provided.



Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, food, supplies, rent, utilities, loan capital for the purchase of vehicles and legal services. The total in-kind contributions for the year ended June 30, 2022 was \$1,734,455.

Advertising costs

The Organization expenses advertising costs as incurred. Advertising costs totaled \$1,528 for the year ended June 30, 2022.

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

Peninsula Family Service 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.

DF, a for-profit entity, is a disregarded entity 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 entity 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, 2022, 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.

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2021 from which the summarized information was derived.

Change in accounting principle

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Under this ASU, a not-for-profit entity is required to include enhanced disclosures surrounding the nature and valuation techniques of the contributed nonfinancial assets. The Organization adopted ASU 2020-07 with a date of the initial application of July 1, 2021. The adoption of ASU 2020-07 did not have a significant impact on the Organization's financial position, results of operations, or cash flows.

Subsequent events

The Organization has evaluated subsequent events through December 14, 2022, the date the consolidated financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Organization's consolidated financial statements.

3. ACCOUNTS AND GRANTS RECEIVABLE

Accounts and grants receivable as of June 30, 2022 consisted mainly of receivables from various funding agencies and donors. The noncurrent portion of accounts and grants receivable is expected to be collected in 2024.

4. INVESTMENTS

Investments consisted of the following:

Mutual funds	\$ 1,731,090
Money market funds	<u>1,271,166</u>
	<u><u>\$ 3,002,256</u></u>

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

4. INVESTMENTS (continued)

The following summarizes investment return for the year ended June 30, 2022

Realized gains on investments	\$ 9,666
Unrealized losses on investments	(372,130)
Investment fees	<u>(15,953)</u>
	<u>\$ (378,417)</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.

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, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual funds	\$ 1,731,090	\$ -	\$ -	\$ 1,731,090
Money market funds	<u>1,271,166</u>	<u>-</u>	<u>-</u>	<u>1,271,166</u>
	<u>\$ 3,002,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,002,256</u>

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Leasehold improvements	\$ 1,209,038
Buildings	6,971,571
Computer equipment	406,217
Furniture and fixtures	1,093,953
Land	987,266
Construction in progress	<u>31,022</u>
	10,699,067
Accumulated depreciation and amortization	<u>(6,674,335)</u>
	<u><u>\$ 4,024,732</u></u>

Depreciation and amortization expense amounted to \$392,035 for the year ended June 30, 2022.

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, 2022 was 4%. The Organization has no outstanding balance at June 30, 2022.

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 monthly payment amount of \$2,508 (including a collection fee of \$6) and a balloon payment at maturity for the outstanding balance and interest.

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

9. NOTES PAYABLE (continued)

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 40% 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, 2022, 20% of the loan amount has been forgiven.

Notes payable are detailed as follows:

Note payable to the County of San Mateo	\$ 294,275
Note payable to the City of San Mateo	<u>38,182</u>
	332,457
Current portion	<u>(40,170)</u>
	<u>\$ 292,287</u>

The future maturities of the notes payable are as follows:

Year ending June 30,

2023	\$ 40,170
2024	27,694
2025	27,947
2026	28,202
2027	28,460
Thereafter	<u>179,984</u>
	<u>\$ 332,457</u>

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.

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

10. PAYCHECK PROTECTION PROGRAM (continued)

The Organization accounts for the PPP Loan using the conditional contribution model. The Organization recognized contribution revenue of \$904,402 from the PPP Loan during the year ended June 30, 2021 and the amount is included in other grants on the consolidated statement of activities. In September 2021, the Organization received full forgiveness of the PPP loan and accrued interest from the Small Business Administration.

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	\$ 1,222,635
Endowment funds	1,991,742
Fixed assets reserve	<u>306,394</u>
	<u>\$ 3,520,771</u>

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

Operations	\$ 374,855
Endowment funds	<u>372,467</u>
	<u>\$ 747,322</u>

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.

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

13. ENDOWMENT (continued)

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

The Organization has adopted the following investment policy statement for its endowment assets.

A. Investment Objective

The investment objectives for the management of endowment assets are as follows:

- To manage the contributions in a manner that will maximize the benefit to the Organization while remaining cognizant of the market and individual security risks.
- To achieve a total return from the investments sufficient to provide both a reasonable growth of the asset base and current income to support a 5% annual withdrawal rate to fund the programs of the Organization.

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

13. ENDOWMENT (continued)

B. Asset Allocation

The Investment Committee will establish in writing the Organization's asset allocation, including minimum and maximum allocations for each asset class in the Portfolio, and will modify it from time to time, with recommendations from the Investment Advisor. To assist in asset allocation, Exhibit A below establishes a range and target for each asset class.

The Investment Committee will seek to achieve a diversified portfolio, unless it prudently determines that, because of special circumstances, the portfolio or a particular fund or funds within the Portfolio are better served without diversification.

The investment manager is directed to follow an asset allocation strategy that will be consistent with the objectives set forth in paragraph (A) to include the following:

1. Diversification that will include both common stock and fixed income investments;
  - a. Common stock investments: Diversification that will result in a portfolio of issues that represent a range of industry groups to spread investment risk over a broad base.
  - b. Fixed income investments: To include obligations of the U.S. Treasury, agencies of the U.S. government and corporate debt.
  - c. Cash and cash equivalents and money market mutual funds will be considered as Fixed income in this asset allocation weighting.
  - d. For the holdings of Balanced Mutual funds, "look through" the fund vehicle to the allocation of underlying assets to apply to the allocation ratio.
2. The investments in equities and fixed income will be reviewed no less than at the end of each quarter and compared to the 65% equity and 35% fixed income benchmarks. Should either vary more than 10% from the benchmark at the close of the quarter, the investments will be rebalanced within 30 days unless otherwise directed by the committee with documentation explaining the rationale behind the decision.

C. Professional Management

It shall be the policy of the Trust to utilize professional management services for the investment of the assets in the Fund. Furthermore when trustees choose to utilize mutual funds the investment selection will be left up to the mutual fund manager.

1. Selection of Investments: The manager will have discretion to choose specific investments and quantities allocated to those investments provided they meet the criteria above.



Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

13. ENDOWMENT (continued)

C. Professional Management (continued)

2. Asset Allocation: The manger has discretion to allocate within the ranges established by the committee.
3. Selection of mutual funds: The manager shall consider the following in his selection of funds.

Track Record: Funds must have established track record with at least three year of history. Investments shall have risk adjusted returns in keeping with the Morningstar category peer group median or higher over both the 3, 5 and 10 year periods.

Expenses: Expense Ratios of all holdings shall be at or below average for respective categories. The investment manager shall select mutual fund share classes with the lowest available expense ratios.

Size: Funds must have at least \$100 Million net assets.

4. Compensation: The manager will receive an annual fee based on a mutually negotiated contract.
5. Fees: Any sales charge, load, 12b1, or commissions that may be incurred to purchase an investment will be credited to the Peninsula Family Service account.

D. Performance Evaluation

Investment performance by the manager will be measured over periods of the most recent twelve (12), thirty-six (36) and sixty (60) months on the calendar year basis.

Benchmark: Performance will be compared to a benchmark that is 65% of the return of the MSCI All Country World Index plus 35% of the return of the Barclays Capital Aggregate index.

Total return performance comparisons for each Fund will be made against appropriate indexes. It is the policy of the Trustees that all investment managers report their performance in writing every calendar quarter.

The Trustees may elect to use an independent performance evaluation service to ensure that the investment manager's performance is competitive with other managers who run endowment-type portfolios with similar investment objectives.

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

13. ENDOWMENT (continued)

E. Spending Policy

It is the policy of the Trustees to preserve the value of its endowment in real terms (i.e. adjusted for inflation) while providing funds to the Organization for operations. The Fund will contribute to operations at a minimum of 5% of the market value of the Fund's investments annually unless otherwise directed by the board. In addition, subject to Trustee written approval, interest bearing loans may be made to the Organization.

It shall be the responsibility of the Trustees to periodically review the spending policy against the investment performance of the Fund and its total return to insure that adjustments are made when necessary to preserve the purchasing power of the endowment.

F. Guidelines for Prudent Investing

Since the primary role of the Trustees is 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, it is agreed that only those securities generally considered to be of high quality are to be acquired. As an endowment fund, the nature of the investment policy is to reduce volatility where possible. This should be done by maintaining an equity portfolio that is well diversified across industry groups, and a fixed income portfolio made up of obligations of creditworthy institutions. We acknowledge that the Fund assumes market risk by maintaining a portfolio of investments; however, high risk taking is not in the best interests of the Fund and should be avoided.

The Investment Committee should encourage the investment manager to select fund investments which include ESG (Environmental, Social & Governance) factors in their analytical process. Further, the Investment Committee should periodically request information regarding the current ESG approach of each fund manager.

G. Restrictions

The following are general restrictions placed on the Investment Manager by the Trustees. The Investment Manager may not:

1. acquire any security subject to any restriction on the sale thereof;
2. write, acquire or sell any put or call options, or combination thereof, on the securities in the portfolio;
3. acquire any security on margin, or otherwise use borrowed funds for the acquisition of any security, or hypothecate any assets of the Fund without the express permission of the Trustees;
4. knowingly sell any securities not owned by the Trust;

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

13. ENDOWMENT (continued)

G. Restrictions (continued)

5. invest more than 5% of the total market value of the fund in the equities or bonds of one issuer; the investment manager is prohibited from purchase of single name Equities or of individual Bonds. Any securities of this type donated to the endowment fund shall be sold upon receipt.
6. position more than 20% of the portfolio in any one industry group as defined by Standard & Poors. However, this restriction shall not apply to obligations of the U.S. Government;
7. position more than 40% of the market value of the portfolio in securities of companies or governments of countries outside the U.S. Non-U.S. Securities, Developed and Emerging Market, held in a fund vehicle will not exceed 40% of assets;
8. acquire commodities contracts or similar futures obligations;
9. Bonds rated lower than BBB, as defined by the leading statistical agencies of Moody's or Standard & Poor's held in a fund vehicle will not exceed 15% of assets.
10. Leveraged investments, hedge funds, private equity or levered ETFs (power shares) are prohibited.

H. Policy Review - The committee shall review this policy annually.

Exhibit A

<u>Asset Class / Subasset Class</u>	<u>Lower Limit</u>	<u>Target Allocation</u>	<u>Upper Limit</u>
Investment Grade Fixed Income & Cash	20	25	30
Other Fixed Income, including: High Yield Bonds, High Yield Bank Loans, Emerging Market Bonds	5	10	15
US Equity	29	36	42
Non-US Equity: Developed Countries	18	24	30
Emerging Market Equity	2	5	10

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, 2022.

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

13. ENDOWMENT (continued)

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	<u>Accumulated Earnings</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 592,271</u>	<u>\$ 1,399,471</u>	<u>\$ 1,991,742</u>

Changes in endowment net assets for the fiscal year ended June 30, 2022 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2021	<u>\$ -</u>	<u>\$ 2,364,209</u>	<u>\$ 2,364,209</u>
Investment return			
Investment income	-	98,691	98,691
Realized and unrealized loss	<u>-</u>	<u>(378,416)</u>	<u>(378,416)</u>
Total investment return	-	(279,725)	(279,725)
Appropriation of net assets	<u>-</u>	<u>(92,742)</u>	<u>(92,742)</u>
	<u>-</u>	<u>(372,467)</u>	<u>(372,467)</u>
Balance, June 30, 2022	<u>\$ -</u>	<u>\$ 1,991,742</u>	<u>\$ 1,991,742</u>

14. IN-KIND CONTRIBUTIONS

Donated services are valued based on the hours and estimated market rates of the services. Donated space is valued based on the market values provided by the donor. Food donations are valued based on cost studies and the valuations provided from the donor. Contributed loan capital is valued based on the value of the loans funded by the financial institutions. Other in-kind goods are estimated based on their fair value on the date of receipt. Donated nonfinancial assets are not sold and goods are only distributed for program use.

In-kind contributions for the year ended June 30, 2022 consisted of the following:

Program services	\$ 84,168
Donated space	164,920
Loan capital	438,984
Food donations	1,025,882
Other goods	<u>20,501</u>
	<u>\$ 1,734,455</u>

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

15. 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, 2022, the Organization contributed \$792,673 to the plan.

16. COMMITMENTS AND CONTINGENCIES

The Organization leases commercial properties under non-cancelable leases. Rent expense for the year ended June 30, 2022 was \$212,686.

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

<u>Year ending June 30,</u>	
2023	\$ 239,039
2024	243,998
2025	249,112
2026	254,385
2027	259,824
Thereafter	<u>1,246,357</u>
	<u><u>\$ 2,492,715</u></u>

17. 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.

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

17. COST ALLOCATION PLAN (continued)

Shared direct costs (continued)

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.

18. 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, 2022 are nominal and not recognized by the Organization.

19. 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.

Peninsula Family Service  
Notes to Consolidated Financial Statements  
June 30, 2022

19. LIQUIDITY AND FUNDS AVAILABLE (continued)

The following is a quantitative disclosure which describes financial assets that are available as of June 30, 2022 to fund general expenditures and other obligations as they become due within one year:

Financial assets:	
Cash and cash equivalents	\$ 1,382,617
Accounts and grants receivable	2,473,234
Investments	<u>3,002,256</u>
	<u>6,858,107</u>
Less: limitations making financial assets unavailable for general expenditure within one year:	
Net assets with donor restrictions	<u>(3,520,771)</u>
	<u>(3,520,771)</u>
	<u>\$ 3,337,336</u>

## SINGLE AUDIT REPORTS AND SCHEDULES



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Peninsula Family Service  
San Mateo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Peninsula Family Service (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2022, 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 14, 2022.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

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

As part of obtaining reasonable assurance about whether the 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 fluid and cursive, with the letters "Armanino" written in a larger, more prominent script than the "LLP" which is smaller and more compact.

Armanino<sup>LLP</sup>  
San Francisco, California

December 14, 2022

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

Board of Directors  
Peninsula Family Service  
San Mateo, California

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Peninsula Family Service (the "Organization")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. 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.

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, 2022.

**Basis for Opinion on Each Major Federal Program**

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

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

## Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Armanino LLP". The script is cursive and fluid.

Armanino<sup>LLP</sup>  
San Francisco, California

December 14, 2022

Peninsula Family Service  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total 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				
		09CH011352-02/ 09HE00063901C		
Early Head Start	93.600	5	\$ 1,602,368	\$ -
Total direct awards			<u>1,602,368</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-1255	93.596	41-B629-00-7	<u>464,185</u>	<u>2,699,259</u>
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			<u>464,185</u>	<u>2,699,259</u>
Child Care and Development Block Grant				
CCTR-1255	93.575	41-B639-00-7	1,535,188	-
CSPP-1529		41-B640-00-7	-	3,066,459
Total Child Care and Development Block Grant			<u>1,535,188</u>	<u>3,066,459</u>
Total CCDF Cluster			<u>1,999,373</u>	<u>5,765,718</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- R076561R	43,750	9,000
Title IIIC: Congregate Nutrition - CARES Act	93.045	57000-21- R077538R.A1	<u>74,629</u>	<u>-</u>
Total Special Programs for the Aging Title III, Part C Nutrition Services			<u>118,379</u>	<u>9,000</u>
Total U.S. Department of Health and Human Services			<u>3,720,120</u>	<u>5,774,718</u>
U.S. Department of Labor				
Senior Community Service Employment Program				
Pass-through program from National Council on Aging:				
National Council on Aging	17.235	31	<u>1,133,230</u>	<u>-</u>
Total U.S. Department of Labor			<u>1,133,230</u>	<u>-</u>

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

Peninsula Family Service  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Total State Expenditures
U.S. Department of Agriculture				
Child and Adult Care Food Program				
Pass-through program from California Department of Education:				
Child Care Food Program	10.558	41-1664-1A	263,008	-
Total Child and Adult Care Food Program			<u>263,008</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>263,008</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		90,235	-
Section 5310: Operating Assistance for Got Wheels Program	20.513		172,566	-
Total Job Access And Reverse Commute Program			<u>262,801</u>	<u>-</u>
Total U.S. Department of Transportation			<u>262,801</u>	<u>-</u>
U.S. Department of Housing & Urban Development				
Community Development Block Grants/Entitlement Grants				
Pass-through program from City of Daly City:				
Community Development Block Grant	14.218	B-19-MC-06-0010	24,200	-
Total U.S. Department of Housing & Urban Development			<u>24,200</u>	<u>-</u>
Total Expenditures of Federal and State Awards			<u>\$ 5,403,359</u>	<u>\$ 5,774,718</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, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Peninsula Family Service (the "Organization") under programs of the federal government and State of California for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and 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, 2022.

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, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
CCDF Cluster	93.596 and 93.575
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Peninsula Family Service  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Peninsula Family Service  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2022

There were no prior year findings.

SUPPORTING SCHEDULES REQUIRED BY THE CALIFORNIA DEPARTMENT OF EDUCATION

Peninsula Family Service  
General Information  
For the Year Ended June 30, 2022

Center Name	Peninsula Family Service
Contract Numbers	CCTR-1255 CSPP-1529
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, 2021 through June 30, 2022
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, 2022

	California Department of Education Programs & Supplemental								
	General Center CCTR-1255	State Preschool CSPP-1529	Early Head Start HB & Admin	San Mateo County QRIS	1ST 5	Big Lift	Other Grants	Other Divisions	Total
Public support and revenue									
Grant income									
Early Head Start	\$ -	\$ -	\$ 1,602,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,602,368
California Department of Education	4,698,632	3,066,459	-	-	-	-	-	-	7,765,091
Child Care Food Program	159,181	103,827	-	-	-	-	-	-	263,008
County of San Mateo	-	-	-	-	-	-	-	1,295,014	1,295,014
National Council on Aging	-	-	-	-	-	-	-	1,133,230	1,133,230
Paycheck Protection Program	-	-	-	-	-	-	-	-	-
Other grants	-	-	-	72,646	160,000	350,000	102,722	(44,326)	641,042
Pledges and contributions									
Contributions	-	-	-	-	-	-	207,100	3,097,338	3,304,438
Contributions - in-kind	397,121	259,025	-	-	-	-	-	1,078,309	1,734,455
Earned income									
Fees - program services	-	-	-	-	-	-	-	6,822	6,822
Other income									
Interest and dividends	-	-	-	-	-	-	-	225,812	225,812
Realized and unrealized gains on investments, net	-	-	-	-	-	-	-	(378,417)	(378,417)
Other income	-	-	-	-	-	-	-	56,268	56,268
Total public support and revenue	<u>5,254,934</u>	<u>3,429,311</u>	<u>1,602,368</u>	<u>72,646</u>	<u>160,000</u>	<u>350,000</u>	<u>309,822</u>	<u>6,470,050</u>	<u>17,649,131</u>
Expenditures									
Salaries and wages	2,382,621	1,555,824	716,211	-	85,465	230,769	144,787	4,153,907	9,269,584
Employee benefits	938,119	611,896	215,420	-	23,379	69,231	84,125	942,203	2,884,373
Professional & outside services	92,392	60,264	57,297	5,410	33,800	20,000	17,170	424,782	711,115
Supplies	71,402	46,572	69,958	61,546	3,835	-	-	43,823	297,136
Refreshment & program food	190,017	123,940	571	-	-	-	-	119,708	434,236
Telephone & internet	39,535	25,787	15,704	-	-	-	-	54,552	135,578
Postage, delivery & printing	2,424	1,580	820	-	-	-	-	8,820	13,644
Occupancy	313,285	204,343	133,466	-	-	-	-	132,913	784,007
Insurance	25,651	16,731	6,816	-	-	-	-	42,790	91,988
IT, software & equipment	123,685	80,674	257,398	-	-	-	-	34,847	496,604
Travel	3,603	2,350	156	-	-	-	-	15,189	21,298
Training and conferences	15,653	10,209	23,671	5,690	-	-	-	28,945	84,168
Public relations	-	-	-	-	-	-	9,189	152,307	161,496
Miscellaneous expense	4,007	2,614	2,193	-	-	-	-	167,846	176,660
In-kind expense	397,121	259,025	-	-	-	-	-	1,078,310	1,734,456
Depreciation	20,198	13,174	-	-	-	-	54,551	304,112	392,035
Sub-total before allocation of administrative and support expenditures	4,619,713	3,014,983	1,499,681	72,646	146,479	320,000	309,822	7,705,054	17,688,378
Allocation of administrative and support expenditures	<u>635,221</u>	<u>414,328</u>	<u>102,687</u>	<u>-</u>	<u>13,521</u>	<u>30,000</u>	<u>-</u>	<u>(1,195,757)</u>	<u>-</u>
Total expenditures	<u>5,254,934</u>	<u>3,429,311</u>	<u>1,602,368</u>	<u>72,646</u>	<u>160,000</u>	<u>350,000</u>	<u>309,822</u>	<u>6,509,297</u>	<u>17,688,378</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (39,247)	\$ (39,247)

Peninsula Family Service  
Combining Schedule of Renovation and Repair Expenditures  
For the Year Ended June 30, 2022

	<u>General Center CCTR-1255</u>	<u>State Preschool CSPP-1529</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 Claimed Equipment Expenditures  
For the Year Ended June 30, 2022

	<u>General Center CCTR-1255</u>	<u>State Preschool CSPP-1529</u>	<u>Total</u>
Capitalized equipment expensed on the AUD with prior written approval			
None	\$ -	\$ -	\$ -
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
Capitalized equipment expensed on the AUD without prior written approval			
None	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
Total	<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, 2022

	General Center CCTR-1255	State Preschool CSPP-1529	Total
Salaries and wages	\$ 426,986	\$ 278,505	\$ 705,491
Payroll taxes	30,973	20,202	51,175
Employee benefits	64,957	42,369	107,326
Professional fees and outside services	49,454	32,256	81,710
Supplies	8,991	5,864	14,855
Refreshment and program food	6,435	4,197	10,632
Telephone and internet	4,058	2,647	6,705
Postage, delivery and printing	215	140	355
Occupancy	3,632	2,369	6,001
Insurance	1,595	1,041	2,636
IT, software and equipment	14,854	9,689	24,543
Travel	3,677	2,399	6,076
Conference and training	8,105	5,287	13,392
Miscellaneous	<u>11,288</u>	<u>7,362</u>	<u>18,650</u>
	<u>\$ 635,220</u>	<u>\$ 414,327</u>	<u>\$ 1,049,547</u>

Peninsula Family Service  
Combining Schedule of Expenditures by State Categories  
For the Year Ended June 30, 2022

	<u>General Center CCTR-1255</u>	<u>State Preschool CSPP-1529</u>	<u>Total</u>
<b>Direct payments to providers</b>			
1000 Certificated salaries	1,799,279	1,151,310	2,950,589
2000 Classified salaries	583,345	404,524	987,869
3000 Employee benefits	938,119	611,896	1,550,015
4000 Books and supplies	71,402	60,264	131,666
5000 Services and other operating expenses	1,842,591	1,188,143	3,030,734
6500 Replacement equipment	<u>20,198</u>	<u>13,174</u>	<u>33,372</u>
	<u>5,254,934</u>	<u>3,429,311</u>	<u>8,684,245</u>
<b>Total expenditures by state categories</b>	5,254,934	3,429,311	8,684,245
 Supplemental expenses	 <u>1,795,272</u>	 <u>699,564</u>	 <u>2,494,836</u>
<b>Total of reimbursable and non-reimbursable expenditures</b>	<u><u>\$ 7,050,206</u></u>	<u><u>\$ 4,128,875</u></u>	<u><u>\$ 11,179,081</u></u>

Peninsula Family Service  
Notes to Child Care Supplementary Information  
For the Years Ended June 30, 2022

In accordance with the applicable requirements from the Funding Terms & Conditions:

1. Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. No interest expense was claimed to a child development contract for the year ended June 30, 2022.
2. All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. No related party rent expense was claimed as a reimbursable expense for the year ended June 30, 2022.
3. Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2022.

# AUDITED ATTENDANCE AND FISCAL REPORT FOR CHILD DEVELOPMENT PROGRAMS WITH EARLY CHILDHOOD MENTAL HEALTH CONSULTATION SERVICES

Fiscal Year Ending

June 30, 2022

Contract Number

CCTR 1255

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 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	
Infants (up to 18 months) Full-time	4,562		4,562	2.4900	11,359.38
Infants (up to 18 months) Three-quarters-time (July to December 2021)	50		50	1.8800	94
Infants (up to 18 months) One-half-time	16		16	1.3920	22.272
Toddlers (18 up to 36 months) Full-time-plus				2.1740	
Toddlers (18 up to 36 months) Full-time	14,802		14,802	1.8500	27,383.7
Toddlers (18 up to 36 months) Three-quarters-time (July to December 2021)	21		21	1.4000	29.4
Toddlers (18 up to 36 months) One-half-time	2		2	1.0400	2.08
Three Years and Older Full-time-plus				1.2300	
Three Years and Older Full-time	460		460	1.0500	483
Three Years and Older Three-quarters-time (July to December 2021)				0.8000	
Three Years and Older One-half-time Total Standard Rate (July 2021 through June 2022)	19		19	0.6000	11.4
Three Years and Older One-half-time Total Direct Service Counties (January 2022 through June 2022)*				Direct Service Counties	
Exceptional Needs Full-time-plus				1.8672	
Exceptional Needs Full-time	22		22	1.5900	34.98
Exceptional Needs Three-quarters-time (July to December 2021)				1.2050	
Exceptional Needs One-half-time				0.8970	

Contract Number

CCTR 1255

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	
Limited and Non-English Proficient Full-time	260		260	1.1500	299
Limited and Non-English Proficient Three-quarters-time (July to December 2021)				0.8750	
Limited and Non-English Proficient One-half-time				0.6550	
At Risk of Abuse or Neglect Full-time-plus				1.3480	
At Risk of Abuse or Neglect Full-time				1.1500	
At Risk of Abuse or Neglect Three-quarters-time (July to December 2021)				0.8750	
At Risk of Abuse or Neglect One-half-time				0.6550	
Severely Disabled Full-time-plus				2.3274	
Severely Disabled Full-time				1.9800	
Severely Disabled Three-quarters-time (July to December 2021)				1.4975	
Severely Disabled One-half-time				1.1115	
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES RECIPIENT(S)</b>	<b>20,214</b>		<b>20,214</b>	<b>N/A</b>	<b>39,719.212</b>
<b>DAYS OF OPERATION</b>	<b>246</b>		<b>246</b>	<b>N/A</b>	<b>N/A</b>
<b>DAYS OF ATTENDANCE</b>	<b>16,978</b>		<b>16,978</b>	<b>N/A</b>	<b>N/A</b>

\*If applicable, must attach AUD9500S days of enrollment supplemental pages for direct service counties

☒ 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.

Contract Number

CCTR 1255

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	
Infants (up to 18 months) Full-time				2.4900	
Infants (up to 18 months) Three-quarters-time (July to December 2021)				1.8800	
Infants (up to 18 months) One-half-time				1.3920	
Toddlers (18 up to 36 months) Full-time-plus				2.1740	
Toddlers (18 up to 36 months) Full-time				1.8500	
Toddlers (18 up to 36 months) Three-quarters-time (July to December 2021)				1.4000	
Toddlers (18 up to 36 months) One-half-time				1.0400	
Three Years and Older Full-time-plus				1.2300	
Three Years and Older Full-time				1.0500	
Three Years and Older Three-quarters-time (July to December 2021)				0.8000	
Three Years and Older One-half-time Total Standard Rate (July 2021 through June 2022)				0.6000	
Three Years and Older One-half-time Total Direct Service Counties (January 2022 through June 2022)*				Direct Service Counties	
Exceptional Needs Full-time-plus				1.8672	
Exceptional Needs Full-time				1.5900	
Exceptional Needs Three-quarters-time (July to December 2021)				1.2050	
Exceptional Needs One-half-time				0.8970	

Contract Number

CCTR 1255

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	
Limited and Non-English Proficient Full-time				1.1500	
Limited and Non-English Proficient Three-quarters-time (July to December 2021)				0.8750	
Limited and Non-English Proficient One-half-time				0.6550	
At Risk of Abuse or Neglect Full-time-plus				1.3480	
At Risk of Abuse or Neglect Full-time				1.1500	
At Risk of Abuse or Neglect Three-quarters-time (July to December 2021)				0.8750	
At Risk of Abuse or Neglect One-half-time				0.6550	
Severely Disabled Full-time-plus				2.3274	
Severely Disabled Full-time				1.9800	
Severely Disabled Three-quarters-time (July to December 2021)				1.4975	
Severely Disabled One-half-time				1.1115	
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES RECIPIENT(S)</b>				<b>N/A</b>	

\*If applicable, must attach AUD9500S days of enrollment supplemental pages for direct service counties

Contract Number

CCTR 1255

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	
Infants (up to 18 months) Full-time				2.4400	
Infants (up to 18 months) Three-quarters-time (July to December 2021)				1.8300	
Infants (up to 18 months) One-half-time				1.3420	
Toddlers (18 up to 36 months) Full-time-plus				2.1240	
Toddlers (18 up to 36 months) Full-time				1.8000	
Toddlers (18 up to 36 months) Three-quarters-time (July to December 2021)				1.3500	
Toddlers (18 up to 36 months) One-half-time				0.9900	
Three Years and Older Full-time-plus				1.1800	
Three Years and Older Full-time	1,673		1,673	1.0000	1,673
Three Years and Older Three-quarters-time (July to December 2021)				0.7500	
Three Years and Older One-half-time Total Standard Rate (July 2021 through June 2022)	5,526		5,526	0.5500	3,039.3
Three Years and Older One-half-time Total Direct Service Counties (January 2022 through June 2022)*				Direct Service Counties	
Exceptional Needs Full-time-plus				1.8172	
Exceptional Needs Full-time	63		63	1.5400	97.02
Exceptional Needs Three-quarters-time (July to December 2021)	30		30	1.1550	34.65
Exceptional Needs One-half-time	128		128	0.8470	108.416



Contract Number

CCTR 1255

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	
Limited and Non-English Proficient Full-time	692		692	1.1000	761.2
Limited and Non-English Proficient Three-quarters-time (July to December 2021)	9		9	0.8250	7.425
Limited and Non-English Proficient One-half-time	2,112		2,112	0.6050	1,277.76
At Risk of Abuse or Neglect Full-time-plus				1.2980	
At Risk of Abuse or Neglect Full-time	39		39	1.1000	42.9
At Risk of Abuse or Neglect Three-quarters-time (July to December 2021)	112		112	0.8250	92.4
At Risk of Abuse or Neglect One-half-time	145		145	0.6050	87.725
Severely Disabled Full-time-plus				2.2774	
Severely Disabled Full-time				1.9300	
Severely Disabled Three-quarters-time (July to December 2021)				1.4475	
Severely Disabled One-half-time				1.0615	
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT</b>	<b>10,529</b>		<b>10,529</b>	<b>N/A</b>	<b>7,221.796</b>
<b>DAYS OF OPERATION</b>	<b>246</b>		<b>246</b>	<b>N/A</b>	<b>N/A</b>
<b>DAYS OF ATTENDANCE</b>	<b>10,529</b>		<b>10,529</b>	<b>N/A</b>	<b>N/A</b>

\*If applicable, must attach AUD9500S days of enrollment supplemental pages for direct service counties

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

Contract Number

CCTR 1255

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	
Infants (up to 18 months) Full-time				2.4400	
Infants (up to 18 months) Three-quarters-time (July to December 2021)				1.8300	
Infants (up to 18 months) One-half-time				1.3420	
Toddlers (18 up to 36 months) Full-time-plus				2.1240	
Toddlers (18 up to 36 months) Full-time				1.8000	
Toddlers (18 up to 36 months) Three-quarters-time (July to December 2021)				1.3500	
Toddlers (18 up to 36 months) One-half-time				0.9900	
Three Years and Older Full-time-plus				1.1800	
Three Years and Older Full-time				1.0000	
Three Years and Older Three-quarters-time (July to December 2021)				0.7500	
Three Years and Older One-half-time Total Standard Rate (July 2021 through June 2022)				0.5500	
Three Years and Older One-half-time Total Direct Service Counties (January 2022 through June 2022)*				Direct Service Counties	
Exceptional Needs Full-time-plus				1.8172	
Exceptional Needs Full-time				1.5400	
Exceptional Needs Three-quarters-time (July to December 2021)				1.1550	
Exceptional Needs One-half-time				0.8470	

Contract Number

CCTR 1255

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	
Limited and Non-English Proficient Full-time				1.1000	
Limited and Non-English Proficient Three-quarters-time (July to December 2021)				0.8250	
Limited and Non-English Proficient One-half-time				0.6050	
At Risk of Abuse or Neglect Full-time-plus				1.2980	
At Risk of Abuse or Neglect Full-time				1.1000	
At Risk of Abuse or Neglect Three-quarters-time (July to December 2021)				0.8250	
At Risk of Abuse or Neglect One-half-time				0.6050	
Severely Disabled Full-time-plus				2.2774	
Severely Disabled Full-time				1.9300	
Severely Disabled Three-quarters-time (July to December 2021)				1.4475	
Severely Disabled One-half-time				1.0615	
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT</b>				<b>N/A</b>	

\*If applicable, must attach AUD9500S days of enrollment supplemental pages for direct service counties

Contract Number

CCTR 1255

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	159,181		159,181
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - American Rescue Plan Act (ARPA)			
Restricted Income - Other:   In-Kind	36,583	360,538	397,121
<b>Restricted Income - Subtotal</b>	<b>195,764</b>	<b>360,538</b>	<b>556,302</b>
Transfer From Reserve			
Waived Family Fees for Certified Children	15,072		15,072
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children			
Unrestricted Income - Head Start			
Unrestricted Income - Other:   SMC-HSA, Daly City-CDBG	33,271	-33,271	
<b>Total Revenue</b>	<b>229,035</b>	<b>327,267</b>	<b>556,302</b>

Comments:

Contract Number

CCTR 1255

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	1,775,251	24,028	1,799,279
2000 Classified Salaries	575,757	7,588	583,345
3000 Employee Benefits	966,769	-28,650	938,119
4000 Books and Supplies	77,443	-6,041	71,402
5000 Services and Other Operating Expenses	1,467,097	375,494	1,842,591
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	20,198		20,198
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
<b>Total Reimbursable Expenses</b>	<b>4,882,515</b>	<b>372,419</b>	<b>5,254,934</b>
Total Administrative Cost (included in Section 6 above)	596,270	38,951	635,221
Total Staff Training Cost (included in Section 6 above)			

Approved Indirect Cost Rate:

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

Contract Number

CCTR 1255

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	1,602,368		1,602,368
Other: San Mateo County Office of Education & Private Donations	137,980	-7,246	130,734
Other: SMC-HSA, SMC Community Fund & Daly City-CDBG		62,170	62,170
<b>Total Supplemental Revenue</b>	<b>1,740,348</b>	<b>54,924</b>	<b>1,795,272</b>

**Section 8 - Supplemental Expenses**

	Column A Cumulative CDNFS 9500MHCS	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	544,084	10,566	554,650
2000 Classified Salaries	244,444	4,747	249,191
3000 Employee Benefits	237,115	29,220	266,335
4000 Books and Supplies	107,207		107,207
5000 Services and Other Operating Expenses	373,441	10,391	383,832
6000 Equipment / Capital Outlay	234,057		234,057
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
<b>Total Supplemental Expenses</b>	<b>1,740,348</b>	<b>54,924</b>	<b>1,795,272</b>

Contract Number

CCTR 1255

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)	30,743		30,743
Days of Operation	246		246
Days of Attendance	27,507		27,507
Restricted Program Income	195,764	360,538	556,302
Transfer from Reserve			
Waived Family Fees for Certified Children	15,072		15,072
Interest Earned on Child Development Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	4,882,515	372,419	5,254,934
Total Administrative Cost	596,270	38,951	635,221
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment

46,941.008

Total Non-Certified Adjusted Days of Enrollment

Independent auditor's assurances on agency's compliance with contract funding terms and conditions and program requirements for programs that transferred to the California Department of Social Services on July 1, 2021 pursuant to WIC Section 10203(b):

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.

**Contractor Name:**

**Contract Number:**

**California State Preschool Program – Form 2B  
Certified Children Receiving Mental Health Consultation Services  
Days of Enrollment and Attendance from January 2022 – June 2022**

**Service County:**

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years and Older Full-time-plus				1.2300	
Three Years and Older Full-time				1.0500	
Three Years and Older One-half-time					
Exceptional Needs Full-time-plus				1.8672	
Exceptional Needs Full-time				1.5900	
Exceptional Needs One-half-time					
Dual Language Learner Full-time-plus				1.3480	
Dual Language Learner Full-time				1.1500	
Dual Language Learner One-half-time					
At Risk of Abuse or Neglect Full-time-plus				1.3480	
At Risk of Abuse or Neglect Full-time				1.1500	
At Risk of Abuse or Neglect One-half-time					



**Contractor Name:**

**Contract Number:**

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Severely Disabled Full-time-plus				2.3274	
Severely Disabled Full-time				1.9800	
Severely Disabled One-half-time					
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES</b>				N/A	

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
<b>DAYS OF ATTENDANCE</b>				N/A	N/A

Enter the sum of Total Certified Days of Enrollment with Mental Health Consultation Services from all Form 2s in the Total Certified Days of Enrollment with Mental Health Consultation Services line of AUD 8501, Section 2.

Enter the sum of Days of Attendance from all Form 1s and Form 2s in the Days of Attendance line of AUD 8501, Section 2.

Contractor Name:

Contract Number:

**California State Preschool Program – Form 2A**  
**Certified Children Receiving Mental Health Consultation Services**  
**Days of Enrollment and Attendance from July 2021 – December 2021**

**Pilot Program:**

Enrollment Description	Column A Cumulative FY per CPARIS December Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years and Older Full-time-plus				1.2300	
Three Years and Older Full-time				1.0500	
Three Years and Older Three-quarters-time				0.8000	
Three Years and Older One-half-time					
Exceptional Needs Full-time-plus				1.8672	
Exceptional Needs Full-time				1.5900	
Exceptional Needs Three-quarters-time				1.2050	
Exceptional Needs One-half-time					
Limited and Non-English Proficient Full-time-plus				1.3480	
Limited and Non-English Proficient Full-time				1.1500	
Limited and Non-English Proficient Three-quarters-time				0.8750	
Limited and Non-English Proficient One-half-time					

**Contractor Name:**

**Contract Number:**

Enrollment Description	Column A Cumulative FY per CPARIS December Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus				1.3480	
At Risk of Abuse or Neglect Full-time				1.1500	
At Risk of Abuse or Neglect Three-quarters-time				0.8750	
At Risk of Abuse or Neglect One-half-time					
Severely Disabled Full-time-plus				2.3274	
Severely Disabled Full-time				1.9800	
Severely Disabled Three-quarters-time				1.4975	
Severely Disabled One-half-time					
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES</b>				N/A	

Attendance	Column A Cumulative FY per CPARIS December Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
<b>DAYS OF ATTENDANCE</b>				N/A	N/A

Enter the sum of Total Certified Days of Enrollment with Mental Health Consultation Services from all Form 2s in the Total Certified Days of Enrollment with Mental Health Consultation Services line of AUD 8501, Section 2.

Enter the sum of Days of Attendance from all Form 1s and Form 2s in the Days of Attendance line of AUD 8501, Section 2.

Contractor Name:

Contract Number:

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

Fiscal Year Ended: June 30, 2022

Vendor Code:

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

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

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

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

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

Total enrollment and attendance forms to attach:

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

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

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

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

**Contractor Name:**

**Contract Number:**

**Section 3 – Revenue**

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

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

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

Contractor Name:

Contract Number:

#### Section 4 - Reimbursable Expenses

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

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

Approved Indirect Cost Rate:

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

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

**Contractor Name:**

**Contract Number:**

**Section 5 - Supplemental Funding**

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

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

**Contractor Name:**

**Contract Number:**

**Section 6 - Summary**

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



**Contractor Name:**

**Contract Number:**

### **Section 7 – Auditor’s Assurances**

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

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

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

### **Section 8 – Comments**

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