

**St. Mary's Center**

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

June 30, 2022  
(With Comparative Totals for 2021)



## TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 15
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>	17 - 18
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	19 - 21
Schedule of Expenditures of Federal and State Awards	22
Notes to Schedule of Expenditures of Federal and State Awards	23
Schedule of Findings and Questioned Costs	24 - 25
Summary Schedule of Prior Audit Findings	26
Supporting Schedules Required by the California Department of Education	
Appendix A - Child Care Supplemental Information	28
Combining Statement of Activities	29
Combining Schedule of Renovation and Repair Expenditures	30
Combining Schedule of Equipment Expenditures	31
Combining Schedule of Administrative Costs	32
Combining Schedule of Expenditures by State Categories	33
Notes to Child Care Supplementary Information	34
Appendix B - Audited Final Attendance and Fiscal Report Forms	35

TABLE OF CONTENTS

AUD 8501 - Attendance and Fiscal Report for California State Preschool  
Programs (CSPP-1027)

36 - 45



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
St. Mary's Center  
Oakland, California

### **Opinion**

We have audited the accompanying financial statements of St. Mary's Center (the "Organization"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Mary's Center as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis 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 St. Mary's Center 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 St. Mary's Center's 2021 financial statements, and we expressed an unmodified audit opinion on those audited 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 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



An independent firm  
associated with Moore  
Global Network Limited

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

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

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

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

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

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

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information shown on pages 28 - 45 for California Department of Education is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 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 15, 2022

St. Mary's Center  
Statement of Financial Position  
June 30, 2022  
(With Comparative Totals for 2021)

	2022	2021
<b>ASSETS</b>		
Current assets		
Cash	\$ 2,159,416	\$ 2,360,948
Cash in trust	49,039	171,106
Grants receivable	490,021	1,247,350
Other accounts receivable	25	10,600
Contributions receivable	100,000	-
Prepaid and other current assets	62,100	13,595
Certificates of deposit	722,278	216,816
Total current assets	3,582,879	4,020,415
Property and equipment, net	9,106,208	9,382,635
Total assets	\$ 12,689,087	\$ 13,403,050
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 67,259	\$ 168,176
Accrued expenses	199,686	153,331
Due to beneficiaries	49,039	171,106
Total current liabilities	315,984	492,613
Net assets		
Without donor restrictions	12,096,103	11,981,258
With donor restrictions	277,000	929,179
Total net assets	12,373,103	12,910,437
Total liabilities and net assets	\$ 12,689,087	\$ 13,403,050

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

St. Mary's Center  
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				
Contributions	\$ 1,773,433	\$ 336,000	\$ 2,109,433	\$ 2,372,412
In-kind contributions	-	-	-	31,119
Government grants	2,309,353	-	2,309,353	2,742,539
Program service fees	205,441	-	205,441	132,992
Forgiveness of note payable - Paycheck Protection Program	-	-	-	436,000
Interest and dividend income	6,179	-	6,179	7,085
Other revenue	-	-	-	3,480
Net assets released from restriction	<u>988,179</u>	<u>(988,179)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,282,585</u>	<u>(652,179)</u>	<u>4,630,406</u>	<u>5,725,627</u>
Functional expenses				
Program services	3,877,852	-	3,877,852	4,113,202
Management and general	914,442	-	914,442	229,583
Fundraising	<u>375,446</u>	<u>-</u>	<u>375,446</u>	<u>306,848</u>
Total functional expenses	<u>5,167,740</u>	<u>-</u>	<u>5,167,740</u>	<u>4,649,633</u>
Change in net assets	114,845	(652,179)	(537,334)	1,075,994
Net assets, beginning of year	<u>11,981,258</u>	<u>929,179</u>	<u>12,910,437</u>	<u>11,834,443</u>
Net assets, end of year	<u>\$ 12,096,103</u>	<u>\$ 277,000</u>	<u>\$ 12,373,103</u>	<u>\$ 12,910,437</u>

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



St. Mary's Center  
Statement of Functional Expenses  
For the Year Ended June 30, 2022  
(With Comparative Totals for 2021)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2022 Total</u>	<u>2021 Total</u>
Salaries and wages	\$ 1,747,003	\$ 325,398	\$ 191,517	\$ 2,263,918	\$ 2,031,322
Payroll taxes	139,935	26,064	15,340	181,339	127,343
Employee benefits	241,534	47,603	31,028	320,165	354,575
Legal and accounting fees	404,377	191,048	31,422	626,847	405,312
Direct program expense	460,519	9,471	1,337	471,327	733,522
Occupancy and facilities	362,540	70,834	24,559	457,933	384,881
Depreciation	292,385	34,399	17,199	343,983	340,831
Administrative expense	92,816	14,944	6,827	114,587	100,152
Other staffing expense	93,409	569	14,415	108,393	-
Office expenses	32,061	5,238	2,487	39,786	77,391
Development and fundraising	350	-	38,506	38,856	-
Auto and travel	10,923	1,753	809	13,485	14,404
Advocacy	-	-	-	-	79,900
Other expenses	-	660	-	660	-
Bad debt expense	-	111,198	-	111,198	-
Loss on dissolution LLC	-	75,263	-	75,263	-
	<u>\$ 3,877,852</u>	<u>\$ 914,442</u>	<u>\$ 375,446</u>	<u>\$ 5,167,740</u>	<u>\$ 4,649,633</u>

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

St. Mary's Center  
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	\$ (537,334)	\$ 1,075,994
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	343,983	340,831
Forgiveness of note payable - Paycheck Protection Program	-	(436,000)
Changes in operating assets and liabilities		
Grants receivable	757,329	(512,716)
Other accounts receivable	10,575	(10,600)
Contributions receivable	(100,000)	-
Prepaid and other current assets	(48,505)	(4,262)
Accounts payable	(100,917)	85,122
Accrued expenses	46,355	(81,389)
Deferred revenue	-	(100,000)
Due to beneficiaries	(122,067)	-
Net cash provided by operating activities	<u>249,419</u>	<u>356,980</u>
Cash flows from investing activities		
Purchases of property and equipment	(67,556)	(81,556)
Purchase of certificates of deposit	(505,462)	-
Proceeds from redemptions of certificates of deposit	-	248,050
Net cash provided by (used in) investing activities	<u>(573,018)</u>	<u>166,494</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(323,599)	523,474
Cash, cash equivalents and restricted cash, beginning of year	<u>2,532,054</u>	<u>2,008,580</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 2,208,455</u>	<u>\$ 2,532,054</u>
Cash, cash equivalents and restricted cash consisted of the following:		
Cash	\$ 2,159,416	\$ 2,360,948
Cash in trust	<u>49,039</u>	<u>171,106</u>
	<u>\$ 2,208,455</u>	<u>\$ 2,532,054</u>

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

St. Mary's Center  
Notes to Financial Statements  
June 30, 2022

1. NATURE OF OPERATIONS

St. Mary's Center (the "Organization") is a non-profit corporation governed by a Board of Directors. St. Mary's Center's primary purpose is to provide services for low-income, multi-racial, multi-cultural people residing in West Oakland, California. St. Mary's Center provides a broad range of services including outreach and advocacy services for seniors, alcoholic and other drug counseling services for seniors, food and shelter for homeless seniors, a preschool for children aged 2-5, and a food giveaway program for low-income families. St. Mary's Center is supported primarily through donor contributions and government grants.

In December 2021, the Organization's Board of Directors approved the dissolution of 967 32nd Street Associates, LLC (the "LLC"). St. Mary's Center originally created the LLC for the purpose of developing its property into low-income housing. St. Mary's Center was the sole member of the LLC and was consolidated with St. Mary's Center as of and for the year ended June 30, 2021. Upon approval of the dissolution of the LLC in December 2021, all of the LLC assets, liabilities, and net assets were transferred to St. Mary's Center. In July 2022, St. Mary's Center filed a Certificate of Cancellation of the LLC with the Secretary of State which was certified in August 2022. St. Mary's Center partnered with a local non-profit developer to more efficiently complete 73 new homes for seniors at the site.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following classifications:

*Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

*Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time, as well as net assets subject to donor-imposed stipulations that require they be maintained in perpetuity. The Organization has no net assets required to be held in perpetuity as of June 30, 2022.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets are limited by donor-imposed restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations on restrictions on net assets are reported as net assets released from restrictions.

St. Mary's Center  
Notes to Financial Statements  
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. 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, result of operations, or cash flows.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers highly-liquid investments with original maturities of three months or less to be cash equivalents. The Organization utilizes various banks to deposit cash funds.

Cash in trust

Cash in trust is held on behalf of clients in a fiduciary capacity for purposes of managing their financial affairs. A small monthly fee is charged for this service.

Certificates of deposit

The Organization maintains certificates of deposit with original maturity dates of three months or more. The certificates are recorded at cost plus accrued interest and are not subject to fair value reporting.

Grants receivable

Grants receivable consist of amounts due from governmental agencies. Reserves for potential bad debts are maintained based on past experience and management's review of outstanding receivables. Amounts that are deemed uncollectible are charged to expense in the period collection efforts have been exhausted. There was no allowance for uncollectible grants receivable as of June 30, 2022, as management determined all accounts to be collectible.

St. Mary's Center  
Notes to Financial Statements  
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are recorded at cost, or if donated, at fair value on the date of donation. The Organization capitalizes assets with a cost or donated value of \$1,000 or more and an estimated useful life greater than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets which range from 5 to 25 years (5 years for furniture and fixtures, and vehicles; 25 years for buildings; 5 to 25 years for building improvements).

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional; that is when the barrier has been overcome and right or release/right of return no longer exists. Contributions of assets other than cash are recorded at their estimated fair value. Contributions that are not expected to be collected until after year-end are considered contributions receivable. Contributions receivable with due dates extending beyond one year are recorded at the present value of their estimated future cash flows. As of June 30, 2022, contributions receivable totaled \$100,000. Contributions receivable are expected to be collected within one year.

In-kind contributions

In-kind contributions are recorded at the estimated fair value at the date the contribution is made. Contributed services are reflected in the consolidated financial statements at the fair value of the services received. Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended June 30, 2022 the Organization received no in-kind contributions.

Many individuals volunteer their time and perform a variety of tasks to support the Organization. The value of this contributed time is not reflected in the accompanying consolidated financial statements as these services do not meet the recognition criteria.

Government grants

Government grants are generally received under contracts from federal, state, county and city agencies. These contracts 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. The Organization has elected a simultaneous release option to accounts for these grants and contracts and thus are recorded as grants and contracts without donor restriction upon satisfaction of the barriers. Amounts received prior to incurring qualifying expenditures or performing the required services are reported as deferred revenue.

St. Mary's Center  
Notes to Financial Statements  
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants (continued)

The Organization received conditional contributions related to government grants that have not been recognized in the statement of activities. At June 30, 2022, the Organization has been approved for cost reimbursable grants of approximately \$22,500 that have not been recognized because qualifying expenditures have not yet been incurred.

Program service fees

Program service fees are primarily comprised of fees charged for the Organization's preschool program and for housing payments. The Organization bills fees on a monthly basis and recognizes revenue from the fees as the related services are provided. The performance obligation of delivering preschool and housing services is simultaneously received and consumed by the program participants.

Concentrations of credit risk

The Organization maintains its cash and cash equivalents in various bank accounts which, at times, may exceed federally insured limits. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

The Organization receives a substantial amount of its support from federal, state, and local governments. As of June 30, 2022, 93% of grants receivable were comprised of amounts due from two governmental funders.

Functional allocation of expenses

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, and depreciation and occupancy which are allocated on a square footage basis.

Income tax

St. Mary's Center is a not-for-profit corporation that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes has been recorded.

St. Mary's Center  
Notes to Financial Statements  
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

967 32nd Street Associates, LLC, as a limited liability company, was a disregarded entity for federal income tax purposes under the Internal Revenue Code. For California purposes, the LLC is subject to an annual minimum tax of \$800 for the California state franchise tax which was paid by the LLC during the year ended June 30, 2022 prior to the certification of the cancellation of the LLC.

The Organization has evaluated its current tax positions and has concluded that as of June 30, 2022, it does not have any uncertain tax positions for which a reserve would be necessary.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative financial information

The 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, as of, and for the year ended June 30, 2021, from which the summarized information was derived.

Subsequent events

The Organization has evaluated subsequent events through December 15, 2022, the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Organization's financial statements.

St. Mary's Center  
Notes to Financial Statements  
June 30, 2022

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Land	\$ 4,566,859
Buildings	5,191,719
Vehicles	44,892
Furniture and fixtures	163,993
Computer equipment	16,485
Building improvements	2,879,730
Construction in progress	<u>41,610</u>
	12,905,288
Less accumulated depreciation	<u>(3,799,080)</u>
	<u><u>\$ 9,106,208</u></u>

Depreciation expense amounted to \$343,983 for the year ended June 30, 2022.

In December 2016, Organization entered into a purchase power agreement with Sky Power Solar for solar energy for a one-time payment of \$53,982. The term of the purchase power agreement is 5 years with the option to purchase the equipment for \$1.00 after 6 years. Since the Organization's intent was to purchase the solar equipment, the equipment was capitalized as building improvements in 2016 and is being depreciated over the equipment's useful life of 25 years. The Organization completed the purchase of the solar energy in March 2022 for \$1.00.

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Restricted for a specified purpose	
Community outreach services	\$ 75,000
Transitional housing	75,000
Preschool programs	18,750
Senior homeless services	<u>8,250</u>
	<u>177,000</u>
Restricted for passage of time	
Contributions receivable	<u>100,000</u>
	<u>100,000</u>
	<u><u>\$ 277,000</u></u>



St. Mary's Center  
Notes to Financial Statements  
June 30, 2022

4. NET ASSETS WITH DONOR RESTRICTIONS (continued)

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

A friendly manor	\$ 433,496
967 32nd street	495,683
Community outreach services	25,000
Transitional housing	25,000
Preschool programs	6,250
Senior homeless services	<u>2,750</u>
	<u>\$ 988,179</u>

The Organization received contributions with donor imposed restrictions during the year ended June 30, 2022 for which the restrictions were also fulfilled by the Organization during the year. In accordance with the Organization's accounting policy, these donor restricted contributions are reported as increases in net assets without donor restrictions.

5. DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan (the "Plan") under Section 401(k) of the Internal Revenue Code, in which substantially all employees that have been employed for at least 3 months and have attained age 21 are eligible to participate. The Organization matches employee contributions up to 3% of eligible compensation. Employer contributions totaled \$50,000 for the year ended June 30, 2022.

6. CONTINGENCIES

Contracts

The Organization's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose of such audits is to determine whether program funds were used in accordance with their respective guidelines and regulations. While management believes program funds were utilized in accordance with program guidelines, it is possible that funded program costs could ultimately be disallowed. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, the Organization has recorded no additional provisions for the possible disallowance of program costs on its financial statements.

St. Mary's Center  
Notes to Financial Statements  
June 30, 2022

7. LIQUIDITY AND FUNDS AVAILABLE

As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To meet liquidity needs, the Organization has cash and cash equivalents, receivables, and certificates of deposit available. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. For purposes of analyzing resources available, the Organization regularly monitors its budget and anticipates collecting sufficient contributions, government grants, and program fees to meet general expenditures over a 12-month period.

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

Financial assets:

Cash	\$ 2,159,416
Grants receivable	490,021
Other accounts receivable	25
Contributions receivable	100,000
Certificates of deposit	<u>722,278</u>
	<u>3,471,740</u>

Less amounts not available to be used within one year:

Donor-imposed restrictions	<u>(277,000)</u>
	<u>(277,000)</u>
	<u>\$ 3,194,740</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*

To the Board of Directors  
St. Mary's Center  
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of St. Mary's Center (the "Organization"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated December 15, 2022.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the 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 financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

December 15, 2022

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

To the Board of Directors  
St. Mary's Center  
Oakland, California

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

#### **Opinion on Each Major Federal Program**

We have audited St. Mary's Center (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 signature is written in a cursive, flowing style.

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

December 15, 2022



St. Mary's Center  
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
<u>Expenditures of Federal Awards</u>			
U.S. Department of Treasury			
Pass-through program from County of Alameda:			
Coronavirus Relief Fund	21.019		\$ <u>377,615</u>
Total U.S. Department of Treasury			<u>377,615</u>
U.S. Department of Health and Human Services			
Pass-through program from County of Alameda:			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		81,422
Community Development Block Grants	93.569		132,500
Block Grants for Community Mental Health Services	93.958		225,229
Medical Assistance Program	93.778		<u>60,000</u>
Total U.S. Department of Health and Human Services			<u>499,151</u>
U.S. Department of Housing and Urban Development			
Pass-through program from City of Oakland:			
Permanent Access to Housing, Rapid Rehousing and Emergency Winter Services Combined	14.231		\$ 152,500
Community Development Block Grants/Emergency Winter Services	14.218		58,657
Local Housing Assistance Program	14.881		<u>148,005</u>
Total U.S. Department of Housing and Urban Development			<u>359,162</u>
Total Expenditures of Federal Awards			<u>1,235,928</u>
<u>Expenditures of State Awards</u>			
State of California			
Child Development Division			
California State Preschool Program (CSPP-1027)			<u>284,686</u>
Total Expenditures of State Awards			<u>284,686</u>
Total Expenditures of Federal and State Awards			<u>\$ 1,520,614</u>

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

St. Mary's Center  
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 St. Mary's Center (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 the 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, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. INDIRECT COSTS

The Organization has elected to not use the 10% de minimis indirect cost rate for federal awards. The Organization applies indirect costs in accordance with the specific terms of its federal award agreements.

St. Mary's Center  
 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</u>
Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

St. Mary's Center  
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.

St. Mary's Center  
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

APPENDIX A  
CHILD CARE SUPPLEMENTAL INFORMATION

St. Mary's Center  
Combining Statement of Activities  
For the Year Ended June 30, 2022

	California State Preschool Program <u>CSPP-1027</u>	Non-CDE Programs	2022 Total
Revenues, gains, and other support			
Contributions	\$ 34,930	\$ 2,074,503	\$ 2,109,433
Government grants	284,686	2,009,259	2,293,945
Child nutrition program	15,408	-	15,408
Program service fees	-	205,441	205,441
Interest and dividend income	-	6,179	6,179
Total revenues, gains, and other support	<u>335,024</u>	<u>4,295,382</u>	<u>4,630,406</u>
Expenses			
Salaries and wages	231,669	2,032,249	2,263,918
Payroll taxes	11,328	170,011	181,339
Employee benefits	18,063	302,102	320,165
Other staffing expense	42	108,351	108,393
Legal and accounting fees	41,892	584,955	626,847
Direct program expense	7,318	464,009	471,327
Occupancy and facilities	25,883	432,050	457,933
Depreciation	5,400	338,583	343,983
Administrative expense	7,301	107,286	114,587
Office expenses	3,700	36,086	39,786
Development and fundraising	-	38,856	38,856
Auto and travel	3,166	10,319	13,485
Miscellaneous	-	187,121	187,121
Indirect expenses	34,817	(34,817)	-
Total expenses	<u>390,579</u>	<u>4,777,161</u>	<u>5,167,740</u>
Changes in net assets	<u>\$ (55,555)</u>	<u>\$ (481,779)</u>	(537,334)
Net assets, beginning of year			<u>12,910,437</u>
Net assets, end of year			<u>\$ 12,373,103</u>



St. Mary's Center  
Combining Schedule of Renovation and Repair Expenditures  
For the Year Ended June 30, 2022

	California State Preschool Program CSPP- 1027	<u>Total</u>
Unit cost under \$10,000		
None	\$ -	\$ -
	<u>-</u>	<u>-</u>
Unit cost over \$10,000 (with CDE Approval)		
None	<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>

St. Mary's Center  
Combining Schedule of Equipment Expenditures  
For the Year Ended June 30, 2022

	California State Preschool Program CSPP- 1027	<u>Total</u>
Unit cost under \$10,000		
None	\$ -	\$ -
	<u>-</u>	<u>-</u>
Unit cost over \$10,000 (with CDE Approval)		
None	<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>

St. Mary's Center  
Combining Schedule of Administrative Costs  
For the Year Ended June 30, 2022

	California State Preschool Program CSPP- 1027	Total
Occupancy and facilities	\$ 4,199	\$ 4,199
Administrative expenses	7,301	7,301
Professional services	28,322	28,322
Depreciation on non CDE funded assets used in program	5,400	5,400
	\$ 45,222	\$ 45,222

St. Mary's Center  
Combining Schedule of Expenditures by State Categories  
For the Year Ended June 30, 2022

		California State Preschool Program CSPP- <u>1027</u>	<u>Total</u>
1000	Certificated salaries	\$ 206,169	\$ 206,169
2000	Classified salaries	25,500	25,500
3000	Employee benefits	29,391	29,391
4000	Books and supplies	89,302	89,302
	Depreciation	5,400	5,400
	Indirect - Administrative	<u>34,817</u>	<u>34,817</u>
		<u>390,579</u>	<u>390,579</u>
	<b>Total expenditures by state categories</b>	390,579	390,579
	<b>Total of reimbursable and non-reimbursable expenditures</b>	<u><u>\$ 390,579</u></u>	<u><u>\$ 390,579</u></u>

St. Mary's Center  
Notes to Child Care Supplementary Information  
For the Year 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.

**APPENDIX B**  
**AUDITED FINAL ATTENDANCE AND FISCAL REPORT FORMS**

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:

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

Contract Number:

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.