# FACES SF

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

June 30, 2023
(With Comparative Totals for 2022)

armanino

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
FACES SF
San Francisco, California

**Opinion**

We have audited the accompanying financial statements of FACES SF (the "Organization"), which comprise the statement of financial position as of June 30, 2023, 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 FACES SF as of June 30, 2023, 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 for 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 FACES SF 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.

**Change in Accounting Principle**

As described in Note 2 to the financial statements, the Organization has adopted FASB Topic 842, *Leases*. Our opinion is not modified with respect to that matter.

**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.

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 FACES SF'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 FACES SF'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 FACES SF'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 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 31 - 51 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, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

**Report on Summarized Comparative Information**

We have previously audited FACES SF's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Armanino$^{LLP}$
San Francisco, California

December 15, 2023

FACES SF
Statement of Financial Position
June 30, 2023
(With Comparative Totals for 2022)

| | 2023 | 2022 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash and cash equivalents | $ 3,607,531 | $ 2,204,690 |
| Investments | 3,923,429 | 3,719,919 |
| Grants receivable | 2,016,529 | 2,295,013 |
| Other accounts receivable | - | 409 |
| Prepaid and other current assets | 7,468 | 8,313 |
| Total current assets | 9,554,957 | 8,228,344 |
| Noncurrent assets | | |
| Property and equipment, net | 43,180 | 43,400 |
| Operating lease right-of-use asset, net | 713,593 | - |
| Finance lease right-of-use asset, net | 60,129 | - |
| Total noncurrent assets | 816,902 | 43,400 |
| Total assets | $ 10,371,859 | $ 8,271,744 |
| **LIABILITIES AND NET ASSETS** | | |
| Current liabilities | | |
| Accounts payable | $ 143,630 | $ 415,901 |
| Accrued expenses | 2,309,397 | 1,626,689 |
| Deferred revenue | 853,111 | 341,097 |
| Current portion of operating lease liability | 62,862 | - |
| Current portion of finance lease liability | 11,889 | - |
| Total current liabilities | 3,380,889 | 2,383,687 |
| Long-term liabilities | | |
| Operating lease liability, net of current portion | 655,442 | - |
| Finance lease liability, net of current portion | 48,497 | - |
| Total long-term liabilities | 703,939 | - |
| Total liabilities | 4,084,828 | 2,383,687 |
| Net assets | | |
| Without donor restrictions | 5,911,850 | 5,512,876 |
| With donor restrictions | 375,181 | 375,181 |
| Total net assets | 6,287,031 | 5,888,057 |
| Total liabilities and net assets | $ 10,371,859 | $ 8,271,744 |

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

FACES SF
Statement of Activities
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

| | Without Donor Restrictions | With Donor Restrictions | 2023 Total | 2022 Total |
|---|---|---|---|---|
| Revenues, gains, and other support | | | | |
| Grants and contracts | $ 15,552,461 | $ - | $ 15,552,461 | $ 13,883,832 |
| Program service fees | 52,925 | - | 52,925 | 38,070 |
| Contributions | 546,567 | - | 546,567 | 366,788 |
| In-kind contributions | 132,000 | - | 132,000 | 120,000 |
| Forgiveness of note payable - Paycheck Protection Program | - | - | - | 149,000 |
| Realized and unrealized gains (losses) on investments, net | 94,433 | - | 94,433 | (508,104) |
| Interest and dividends, net of investment fees | 109,112 | - | 109,112 | 98,088 |
| Total revenues, gains, and other support | 16,487,498 | - | 16,487,498 | 14,147,674 |
| Functional expenses | | | | |
| Program services | 14,550,864 | - | 14,550,864 | 12,665,171 |
| Management and general | 946,602 | - | 946,602 | 533,807 |
| Fundraising | 591,058 | - | 591,058 | 428,966 |
| Total functional expenses | 16,088,524 | - | 16,088,524 | 13,627,944 |
| Change in net assets | 398,974 | - | 398,974 | 519,730 |
| Net assets, beginning of year | 5,512,876 | 375,181 | 5,888,057 | 5,368,327 |
| Net assets, end of year | $ 5,911,850 | $ 375,181 | $ 6,287,031 | $ 5,888,057 |

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

FACES SF
Statement of Functional Expenses
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

| | Program Services | Management and General | Fundraising | 2023 Total | 2022 Total |
|---|---|---|---|---|---|
| Personnel expenses | | | | | |
| Salaries and wages | $ 6,152,100 | $ 662,377 | $ 295,716 | $ 7,110,193 | $ 5,182,492 |
| Employee benefits | 1,735,496 | 196,547 | 89,836 | 2,021,879 | 1,930,789 |
| Total personnel expenses | 7,887,596 | 858,924 | 385,552 | 9,132,072 | 7,113,281 |
| Program provider payments | 3,292,761 | - | - | 3,292,761 | 3,153,453 |
| Program support, services and activities | 1,893,323 | 11,089 | 31,858 | 1,936,270 | 1,862,873 |
| Facility, equipment, phone, internet, and vehicles | 720,672 | 37,757 | 64,344 | 822,773 | 773,062 |
| Program supplies and materials | 485,747 | 8,266 | 41,636 | 535,649 | 309,560 |
| Insurance, licenses, fees and taxes | 126,610 | 13,373 | 20,623 | 160,606 | 140,110 |
| Staff development | 65,852 | 10,012 | 28,680 | 104,544 | 47,317 |
| Outside services | 69,603 | 7,181 | 17,232 | 94,016 | 219,427 |
| Depreciation | 8,700 | - | - | 8,700 | 8,861 |
| Fundraising event expenses | - | - | 1,133 | 1,133 | - |
| | $ 14,550,864 | $ 946,602 | $ 591,058 | $ 16,088,524 | $ 13,627,944 |

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

FACES SF
Statement of Cash Flows
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

| | 2023 | 2022 |
|---|---|---|
| Cash flows from operating activities | | |
| Change in net assets | $ 398,974 | $ 519,730 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities | | |
| Depreciation | 8,700 | 8,861 |
| Amortization of lease right-of-use assets | 67,749 | - |
| Realized and unrealized losses (gains) on investments | (94,433) | 508,104 |
| Forgiveness of note payable - Paycheck Protection Program | - | (149,000) |
| Changes in operating assets and liabilities | | |
| Grants receivable | 278,484 | (988,579) |
| Other accounts receivable | 409 | - |
| Prepaid and other current assets | 845 | (6,054) |
| Accounts payable | (272,271) | (284,823) |
| Accrued expenses | 682,708 | (25,112) |
| Deferred revenue | 512,014 | 341,097 |
| Operating lease liability | (59,873) | - |
| Net cash provided by (used in) operating activities | 1,523,306 | (75,776) |
| Cash flows from investing activities | | |
| Purchase of investments | (109,077) | (98,085) |
| Purchase of property and equipment | (8,480) | (43,400) |
| Net cash used in investing activities | (117,557) | (141,485) |
| Cash flows from financing activities | | |
| Principal repayments on finance lease | (2,908) | - |
| Net cash provided by (used in) financing activities | (2,908) | - |
| Net increase (decrease) in cash | 1,402,841 | (217,261) |
| Cash and cash equivalents, beginning of year | 2,204,690 | 2,421,951 |
| Cash and cash equivalents, end of year | $ 3,607,531 | $ 2,204,690 |

Supplemental schedule of noncash investing and financing activities

| | | |
|---|---|---|
| Right-of-use asset obtained in exchange for operating lease liability | $ 778,177 | $ - |
| Right-of-use asset obtained in exchange for finance lease liability | $ 63,294 | $ - |

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

FACES SF
Notes to Financial Statements
June 30, 2023

## 1. NATURE OF OPERATIONS

FACES SF (the "Organization"), also known as Family and Child Empowerment Services San Francisco, is a California nonprofit public benefit corporation. The Whitney Young Child Development Center and the Florence Crittenton Services merged on July 1, 2011 to create a single organization that is dedicated to serving families in need, helping them become independent, healthy, and financially stable. Through licensed and subsidized child care, job training, and family support services, the Organization is improving the overall health and well-being of San Francisco's underserved communities. The many programs of the Organization are primarily funded by the California Department of Education, the federal government, the City and County of San Francisco, donations, parent fees and special grants.

- *Child Development Program* - The Organization provides subsidized early childhood education at three sites across San Francisco for infant/toddlers, preschool, and after-school enrichment for K-6th grade. Services are delivered in English, Spanish, and Chinese. Children are given age-appropriate learning opportunities that focus on creative expression, social and emotional development, and wellness and physical development. In addition, the Organization also manages a Family Child Care Network of over 36 licensed home child care providers in San Francisco, placing children from low-income families in culturally suitable arrangements.
- *Workforce Development Program* - The Organization offers a community-based workforce program in San Francisco through a combination of education, barrier removal, referral, job readiness and placement and supportive services. The program is located in Visitacion Valley and the Organization strives to bridge the gap between the job seeker and local companies looking for qualified candidates. The Organization provides resume assistance, job search workshops, computer access, job leads, scheduled hiring events, and job fairs. The Organization has language capacity in English, Spanish, Mandarin and Cantonese. The Visitation Valley COVID Team leads coordination of several community-based organizations that provide free community COVID testing, vaccinations and wrap-around services for individuals and families specifically in the Visitation Valley and Sunnydale community.
- *Family Support Program* - The Family Support Program provides families with enrollment, engagement, and family support services, particularly for those families who have children with special needs. Through family events, information sessions, a weekly food bank, teacher professional development, push-in and pull-out intervention, and 1:1 coaching session with individual families, the Organization helps ensure that every family has the support they need to thrive as a whole unit.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

*Net assets without donor restrictions* - Net assets not subject to donor-imposed stipulations and available to support the Organization's general operations.

*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, 2023.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Change in accounting principle

On February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, an initial lease liability of $841,471, which represents the present value of the remaining operating and finance lease payments of $974,341, discounted using the risk-free rates ranging from 2.88% to 3.52%, and a right-of-use asset of $841,471.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

The standard had a material impact on the Organization's statement of financial position as of June 30, 2023, but did not have a material impact on the Organization's statement of activities, nor statement of cash flows for the year then ended. The most significant impact was the recognition of ROU assets and lease liabilities for operating and finance leases on the statement of financial position as of June 30, 2023.

Cash and cash equivalents

The Organization places its cash and cash equivalents with high credit quality institutions. Periodically, such investments may be in excess of federally-insured limits. 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.

Investments

Investments are comprised of mutual funds, common and foreign stocks, corporate and foreign bonds and money market deposits. Mutual funds and stocks are reported at fair value as determined by quoted market prices in active markets. Bonds are valued based upon the most recent bid quotation for identical or similar obligations provided by independent pricing services and from broker quotations. Short-term, money market deposits that are not used for operations are treated as investments. Investment income and realized and unrealized gains or losses are reflected as increases or decreases in net assets without donor restrictions, unless their use is restricted by the donor.

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

The Organization's investments are classified as Level 1 and are valued at closing market prices and bid quotations on the date of business closest to June 30.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2023, as management determined all accounts to be collectible.

Property and equipment

Property and equipment are stated at cost, or if donated, at fair value at time of donation. Asset acquisitions greater than $5,000 and a life expectancy of greater than one year are capitalized. Depreciation and amortization is computed using the straight-line method over the lesser of estimated useful lives of the related assets or the related lease term, which range from 3 to 10 years. Expenditures for maintenance and repairs are charged to expense as incurred.

Property and equipment are reviewed for impairment when circumstances indicate the carrying amount of an asset may not be recoverable. Impairment is recognized if the fair value of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

Grants and contracts

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 account 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. The Organization received cost-reimbursable grants of approximately $723,876 that have not been recognized at June 30, 2023 because qualifying expenditures have not yet been incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 of 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. There were no contributions receivable as of June 30, 2023. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue within net assets with donor restrictions, and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

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 financial statements at the fair value of the services received. Contributions of services are recognized if the services received create or enhance non-financial 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.

Concentrations of credit risk

The Organization receives a substantial amount of its support from federal, state and local governments. As of June 30, 2023, approximately 100% of grants receivable were comprised of amounts due from two governmental funders. For the year ended June 30, 2023, approximately 99% of grant and contract revenue was derived from two governmental funding agencies. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other function but provide for the overall support and direction of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status

The Organization is a qualified organization exempt from federal and California income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) and 23701(d) of the State of California Revenue and Taxation Code.

The Organization has evaluated its current tax positions and has concluded that as of June 30, 2023, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Use of estimates

The preparation of 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 financial statements, and the reported amounts of support, 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 financial statements for the year ended June 30, 2022 from which the summarized information was derived.

Subsequent events

The Organization has evaluated subsequent events through December 15, 2023, 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.

## 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consisted of the following:

| | |
|---|---|
| Money market funds | $ 21,132 |
| Mutual funds | 392,548 |
| U.S. Government funds | 132,242 |
| Domestic and foreign common stocks | 2,187,641 |
| Corporate and foreign bonds | 1,189,866 |
| | $ 3,923,429 |

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023:

| | Level 1 | Level 2 | Level 3 | Fair Value |
|---|---|---|---|---|
| Money market funds | $ 21,132 | $ - | $ - | $ 21,132 |
| Mutual funds | 392,548 | - | - | 392,548 |
| U.S. Government funds | 132,242 | - | - | 132,242 |
| Domestic common and foreign stocks | 2,187,641 | - | - | 2,187,641 |
| Corporate bonds | 1,189,866 | - | - | 1,189,866 |
| | $ 3,923,429 | $ - | $ - | $ 3,923,429 |

## 4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

| | |
|---|---|
| Vehicles | $ 80,477 |
| Furniture and equipment | 298,998 |
| | 379,475 |
| Accumulated depreciation | (336,295) |
| | $ 43,180 |

Depreciation expense amounted to $8,700 for the year ended June 30, 2023.

## 5. ACCRUED EXPENSES

Accrued expenses consisted of the following:

| | |
|---|---|
| Accrued expenses | $ 422,289 |
| Accrued salaries and wages | 1,628,008 |
| Accrued vacation | 259,100 |
| | $ 2,309,397 |

## 6. LEASES

The Organization leases an office and operation facility on Masonic Avenue in San Francisco under a non-cancelable operating lease expiring in December 2027. The lease has an option to extend for an additional five years and requires a monthly lease payment ranging from $6,756 to $7,173.

During 2023, the Organization entered into a finance lease agreement to finance the purchase of a copier. The lease agreement matures in March 2028 and requires a monthly payment of $1,152.

The components of lease expense as of June 30, 2023 were as follows:

| | |
|---|---|
| Lease cost | |
| Operating lease cost | $ 86,212 |
| Finance lease cost | |
| Amortization of lease right-of-use asset | 3,165 |
| Interest on lease liability | 548 |
| Variable lease cost | 32,552 |
| | $ 122,477 |

| | |
|---|---|
| Weighted average remaining lease term - operating lease | 9.5 years |
| Weighted average remaining lease term - finance lease | 4.8 years |
| Weighted average discount rate - operating lease | 2.88 % |
| Weighted average discount rate - finance lease | 3.52 % |

6. LEASES (continued)

Future minimum lease payments under non-cancellable leases as of June 30, 2023 were as follows:

| Year ending June 30, | Operating | Finance | Total |
|---|---|---|---|
| 2024 | $ 82,730 | $ 13,824 | $ 96,554 |
| 2025 | 83,971 | 13,824 | 97,795 |
| 2026 | 84,810 | 13,824 | 98,634 |
| 2027 | 85,658 | 13,824 | 99,482 |
| 2028 | 86,515 | 10,364 | 96,879 |
| Thereafter | 400,037 | - | 400,037 |
| | 823,721 | 65,660 | 889,381 |
| Less: imputed interest | (105,417) | (5,274) | (110,691) |
| Total lease liabilities, net of interest | 718,304 | 60,386 | 778,690 |
| Current portion | (62,862) | (11,889) | (74,751) |
| | $ 655,442 | $ 48,497 | $ 703,939 |

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

| | |
|---|---|
| Restricted for a specific purpose | |
| Job placement and readiness | $ 234,380 |
| Masonic playground | 1,200 |
| Bayview - Hunters Point renovations | 85,576 |
| Summer meals for children | 45,000 |
| Other | 9,025 |
| | $ 375,181 |

There were no net assets with donor restrictions released during the year ended June 30, 2023.

8. IN-KIND CONTRIBUTIONS

The Organization maintains a lease agreement with the City and County of San Francisco for a facility in Bayview, San Francisco. The lease commenced on August 6, 2006 and operates on a month to month basis. No rental payment is required provided that the premises be used as a childcare center. The fair value of the monthly rent is approximately $9,000 per month and has been recorded as in-kind contribution revenue on the statement of activities.

8. IN-KIND CONTRIBUTIONS (continued)

The Organization maintains a sublease agreement with a California public non-profit corporation, the San Francisco Housing Authority, for a facility in Hayes Valley, San Francisco. The lease commenced on March 1, 2011 with an initial three year term, and an option to extend for two consecutive five year terms. The Organization exercised their option for two consecutive five-year term renewals which will expire in February 2024. The annual rent amounts to $1. The fair value of the monthly rent is approximately $2,000 per month and has been recorded as in-kind contribution revenue on the statement of activities.

In-kind contributions for the year ended June 30, 2023 were as follows:

| | |
|---|---|
| Donated rent | $ 132,000 |

Donated rent is valued at the estimated fair market value based on current rates for similar properties in the neighborhood. The in-kind rent received during the year ended June 30, 2023 included no donor restrictions. Contributed rent was utilized by the Organization for its child development and family support programs.

9. COMMITMENTS AND 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.

Concentrations of credit risk

The Organization receives a substantial amount of its support from federal, state and local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

10. EMPLOYEE BENEFIT PLAN

The Organization has a salary reduction contribution plan pursuant to Section 403(b) of the Internal Revenue Code (IRC), covering substantially of all of its employees. Under the plan, employees are allowed contribute a specified percentage of their salary, or a fixed dollar amount, to the plan up to amounts allowed by the IRC. The Organization makes a two-percent matching nonelective contribution to eligible employees. Total contributions made by the Organization for 2023 totaled $637,122.

## 11. 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 investments available.

The following is a quantitative disclosure which describes assets that are available within one year of June 30, 2023 to fund general expenditures and other obligations when they become due:

| | |
|---|---|
| Financial assets | |
| Cash and cash equivalents | $ 3,607,531 |
| Investments | 3,923,429 |
| Grants receivable | 2,016,529 |
| | 9,547,489 |
| Less: amounts unavailable for general expenditures | |
| Net assets restricted for a specific purpose | (375,181) |
| | (375,181) |
| | $ 9,172,308 |

The Organization has financial assets available at June 30, 2023 to cover approximately 7 months of operating expenses based on the actual fiscal year 2023 expenses.

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
FACES SF
San Francisco, 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 FACES SF (the "Organization"), which comprise the statement of financial position as of June 30, 2023, 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, 2023.

**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 LLP
San Francisco, California

December 15, 2023

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
FACES SF
San Francisco, California

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

**Opinion on Each Major Federal Program**

We have audited FACES SF (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, 2023. 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, 2023.

**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 weaknesses 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.

Armanino LLP

ArmaninoLLP
San Francisco, California

December 15, 2023

FACES SF
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Assistance Listing Number | Pass-Through Entity Identifying Number | Total Federal Expenditures |
|---|---|---|---|
| Expenditures of Federal Awards | | | |
| U.S. Department of Labor | | | |
| Workforce Innovation and Opportunity Act Adult Program | 17.258 | n/a | $ 170,000 |
| Total U.S. Department of Labor | | | 170,000 |
| U.S. Department of Agriculture | | | |
| Pass-through program from California State Department of Education: | | | |
| Child and Adult Care Food Program | 10.558 | 04463-CACFP-38-NP-CS | 130,007 |
| Total U.S. Department of Agriculture | | | 130,007 |
| U.S. Department of Health & Human Services | | | |
| CCDF Cluster | | | |
| Pass-through program from California Department of Education: | | | |
| Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCTR-2229) | 93.575 / 93.596 | 38-B603-007 | 3,650,183 |
| Child Care and Development Block Grant (CSPP-2471) | 93.575 | 38-B603-00-0 | 933,064 |
| Total CCDF Cluster | | | 4,583,247 |
| Total U.S. Department of Health & Human Services | | | 4,583,247 |
| Total Expenditures of Federal Awards | | | 4,883,254 |
| Expenditures of State Awards | | | |
| California Department of Education | | | |
| Child Development Division | | | |
| California State Preschool Program (CSPP-2471) | n/a | 38-B603-00-0 | 1,753,072 |
| General Child Care & Development Program (CCTR-2229) | n/a | 38-B603-00-0 | 6,458,690 |
| Total Expenditures of State Awards | | | 8,211,762 |
| Total Expenditures of Federal and State Awards | | | $ 13,095,016 |

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

FACES SF
Notes to Schedule of Expenditures of Federal and State Awards
June 30, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of FACES SF (the "Organization") under programs of the federal government and State of California for the year ended June 30, 2023. 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 COST RATE

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

FACES SF
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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:

| Name of Federal Program or Cluster | Assistance Listing Number |
|---|---|
| Child Care and Development Fund Cluster<br>Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 |

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs | $750,000 |
| Auditee qualified as low-risk auditee? | Yes |

FACES SF
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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.

FACES SF
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

There were no prior year findings.

SUPPORTING SCHEDULES REQUIRED BY THE CALIFORNIA DEPARTMENT OF EDUCATION

# APPENDIX A
# CHILD CARE SUPPLEMENTAL INFORMATION

FACES SF
General Information
For the Year Ended June 30, 2023

| | |
|---|---|
| Agency Name | FACES SF (Family and Child Empowerment Services San Francisco) |
| Contract Numbers | General Child Care - CCTR-2229<br>Full Day Preschool - CSPP-2471<br>04463-CACFP-38-NP-CS |
| Type of Agency | Private Nonprofit Corporation |
| Address | 1101 Masonic Avenue<br>San Francisco, California 94117 |
| Name of Executive Director | Jonathan Scholnick |
| Telephone Number | (415) 567-2357 |
| Audit Period | July 1, 2022 through June 30, 2023 |
| Number of Operations Days of Agency | 246 |
| Scheduled Daily Hours of Operation | Bayview/Hunters Point: 7:00am to 6:00pm<br>Haight Ashbury: 7:00am to 6:00pm<br>Hayes Valley: 7:00am to 5:30pm |

FACES SF
Combining Statement of Activities
For the Year Ended June 30, 2023

| | General Child Care CCTR-2229 | Full Day Preschool CSPP-2471 | DCYF | Workforce Program | Non-Government Programs | 2023 Total |
|---|---|---|---|---|---|---|
| Revenue, gains and other support | | | | | | |
| Grants and contracts | $ 9,823,349 | $ 2,767,700 | $ 673,625 | $ 2,032,252 | $ 104,315 | $ 15,401,241 |
| Child nutrition program | 105,854 | 45,366 | - | - | - | 151,220 |
| Program service fees | 37,047 | 15,878 | - | - | - | 52,925 |
| Contributions | - | - | - | - | 546,567 | 546,567 |
| In-kind contributions | 105,600 | 26,400 | - | - | - | 132,000 |
| Realized and unrealized gains (losses) on investments, net | - | - | - | - | 94,433 | 94,433 |
| Interest and dividends, net of investment fees | - | - | - | - | 109,112 | 109,112 |
| Total | 10,071,850 | 2,855,344 | 673,625 | 2,032,252 | 854,427 | 16,487,498 |
| Total revenue, gains and other support | 10,071,850 | 2,855,344 | 673,625 | 2,032,252 | 854,427 | 16,487,498 |
| Operating expenses | | | | | | |
| Salaries | 4,274,051 | 1,637,570 | 388,221 | 514,635 | 295,716 | 7,110,193 |
| Payroll taxes and employee benefits | 1,195,355 | 472,251 | 120,832 | 143,604 | 89,836 | 2,021,878 |
| Books and supplies | 348,445 | 127,636 | 7,720 | 10,213 | 41,635 | 535,649 |
| Program provider payments | 3,263,980 | 28,781 | - | - | - | 3,292,761 |
| Contracted services and other operating expenses | 1,283,241 | 583,328 | 72,912 | 1,173,524 | 6,338 | 3,119,343 |
| Depreciation expense | 7,656 | 1,044 | - | - | - | 8,700 |
| Total operating expenses | 10,372,728 | 2,850,610 | 589,685 | 1,841,976 | 433,525 | 16,088,524 |
| Changes in net assets | $ (300,878) | $ 4,734 | $ 83,940 | $ 190,276 | $ 420,902 | $ 398,974 |

FACES SF
Combining Schedule of Renovation and Repair Expenditures
For the Year Ended June 30, 2023

| | General Child Care CCTR-2229 | Full Day Preschool CSPP-2471 | Total |
|---|---|---|---|
| Unit cost under $10,000 | | | |
| None | $ - | $ - | $ - |
| | - | - | - |
| Unit cost over $10,000 (with CDE Approval) | | | |
| None | - | - | - |
| | - | - | - |
| Unit cost over $10,000 (without CDE Approval) | | | |
| None | - | - | - |
| | $ - | $ - | $ - |

FACES SF
Combining Schedule of Equipment Expenditures
For the Year Ended June 30, 2023

| | General Child Care CCTR-2229 | Full Day Preschool CSPP-2471 | Total |
|---|---|---|---|
| Unit cost under $10,000 | | | |
| None | $ - | $ - | $ - |
| | - | - | - |
| Unit cost over $10,000 (with CDE Approval) | | | |
| None | - | - | - |
| | - | - | - |
| Unit cost over $10,000 (without CDE Approval) | | | |
| None | - | - | - |
| | $ - | $ - | $ - |

FACES SF
Combining Schedule of Administrative Costs
For the Year Ended June 30, 2023

| | General Child Care CCTR-2229 | Full Day Preschool CSPP-2471 | Non-CDE | Total |
|---|---|---|---|---|
| Salaries | $ 463,664 | $ 198,713 | $ - | $ 662,377 |
| Payroll taxes and employee benefits | 137,583 | 58,964 | - | 196,547 |
| Books and supplies | 5,787 | 2,480 | - | 8,267 |
| Contracted services and other operating expenses | 77,143 | 33,061 | - | 110,204 |
| | $ 684,177 | $ 293,218 | $ - | $ 977,395 |

FACES SF
Combining Schedule of Expenditures by State Categories
For the Year Ended June 30, 2023

| | | General Child Care CCTR-2229 | Full Day Preschool CSPP-2471 |
|---|---|---|---|
| **1000** | **CERTIFIED SALARIES** | | |
| 1000 | Certified salaries | $ 2,834,741 | $ 1,309,444 |
| **2000** | **CLASSIFIED SALARIES** | | |
| 2000 | Classified salaries | 1,439,310 | 328,126 |
| | | 1,439,310 | 328,126 |
| **3000** | **EMPLOYEE BENEFITS** | | |
| 3000 | Employee benefits | 1,195,355 | 472,251 |
| | | 1,195,355 | 472,251 |
| **4000** | **BOOKS, SUPPLIES AND EQUIPMENT** | | |
| 4000 | Books and supplies | 348,445 | 127,636 |
| | | 348,445 | 127,636 |
| **5000** | **SERVICES/OTHER OPERATING EXPENSES** | | |
| 5000 | Services and other operating expenses | 1,283,241 | 556,928 |
| | | 1,283,241 | 556,928 |
| | **OTHER** | | |
| | Direct Payments to Providers (FCCH only) | 3,263,980 | 28,781 |
| | Depreciation or use allowance | 7,656 | 1,044 |
| | | 3,271,636 | 29,825 |
| | **Total expenditures by state categories** | 10,372,728 | 2,824,210 |
| | **Total of reimbursable and non-reimbursable expenditures** | $ 10,372,728 | $ 2,824,210 |

FACES SF
Notes to Child Care Supplementary Information
For the Year Ended June 30, 2023

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, 2023.

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, 2023.

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, 2023.

APPENDIX B
AUDITED FINAL ATTENDANCE AND FISCAL REPORT FORMS

# AUDITED ENROLLMENT, ATTENDANCE AND FISCAL REPORT FOR CHILD CARE AND DEVELOPMENT PROGRAMS

| | |
|---|---|
| **Fiscal Year Ending** | **June 30, 2023** |
| **Contract Number** | **CCTR - 2229** |
| **Vendor Code** | **B603** |

**Full Name of Contractor** **FACES SF (Family & Child Empowerment Services San Francisco)**

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

Number of counties where the agency provided services to certified children (Form AUD 9500.1): 1

Number of counties where the agency provided mental health consultation services to certified children (Form AUD 9500.2): 1

Number of counties where the agency provided services to non-certified children (Form AUD 9500.3): 0

Number of counties where the agency provided mental health consultation services to non-certified children (Form AUD 9500.4): 1

Total enrollment and attendance forms to attach: 3

Note: For each of the above categories, submit one form for each service county for the fiscal year.

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

| | Column A Cumulative FY CDNFS 9500 | Column B Audit Adjustments | Column C Cumulative per Audit | Column D Adjusted Days per Audit |
|---|---|---|---|---|
| Total Certified Days of Enrollment | 28,764 | | 28764 | 28,764.0000 |
| Total Certified Days of Enrollment with Mental Health Consultation Services | 21,800 | | 21800 | 21,800.0000 |
| Days of Attendance (including MHCS) | 48,563 | | 48563 | **N/A** |
| Total Non-Certified Days of Enrollment | | | | |
| Total Non-Certified Days of Enrollment with Mental Health Consultation Services | 210 | | 210 | 210.0000 |
| Days of Operation | 246 | | 246 | **N/A** |

**Full Name of Contractor** FACES SF (Family & Child Empowerment Services San Francisco) **Contract Number** CCTR - 2229

**Section 3 - Revenue**

| | Column A Cumulative FY CDNFS 9500 | Column B Audit Adjustments | Column C Cumulative per Audit |
|---|---|---|---|
| Restricted Income - Child Nutrition Programs | 120,421 | -14,567 | 105854 |
| Restricted Income - County Maintenance of Effort (WIC Section 10308.5) | | | |
| Restricted Income - American Rescue Plan Act (ARPA) | | | |
| Restricted Income - Other: OECE Grant and In-Kind | 1,648,430 | -17,654 | 1630776 |
| **Restricted Income - Subtotal** | **1768851** | **-32221** | **1736630** |
| Transfer From Reserve | | | |
| Waived Family Fees for Certified Children* | 196,827 | | 196827 |
| Interest Earned on Child Development Apportionment Payments | | | |
| Unrestricted Income - Fees for Non-Certified Children | 41,816 | -4,769 | 37047 |
| Unrestricted Income - Head Start | | | |
| Unrestricted Income - Other: | | | |
| **Total Revenue (*Waived Family Fees Not Included)** | **1810667** | **-36990** | **1773677** |

Comments:

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**Full Name of Contractor** FACES SF (Family & Child Empowerment Services San Francisco) **Contract Number** CCTR - 2229

**Section 4 - Reimbursable Expenses**

| | Column A Cumulative FY CDNFS 9500 | Column B Audit Adjustments | Column C Cumulative per Audit |
|---|---|---|---|
| Direct Payments to Providers (FCCH only) | 3,263,980 | | 3263980 |
| 1000 Certificated Salaries | 2,797,167 | 37,574 | 2834741 |
| 2000 Classified Salaries | 1,434,097 | 5,213 | 1439310 |
| 3000 Employee Benefits | 1,181,550 | 13,805 | 1195355 |
| 4000 Books and Supplies | 347,072 | 1,373 | 348445 |
| 5000 Services and Other Operating Expenses | 1,077,350 | 205,891 | 1283241 |
| 6100/6200 Other Approved Capital Outlay | | | |
| 6400 New Equipment (program-related) | | | |
| 6500 Equipment Replacement (program-related) | | | |
| Depreciation or Use Allowance | 7,656 | | 7656 |
| Start-up Expenses (service level exemption) | | | |
| Budget Impasse Credit | | | |
| Indirect Costs (include in Total Administrative Cost) | | | |
| Non-Reimbursable (State use only) | | | |
| **Total Reimbursable Expenses** | **10108872** | **263856** | **10372728** |
| Total Administrative Cost (included in Section 4 above) | | 684,177 | 684177 |
| Total Staff Training Cost (included in Section 4 above) | | | |

Approved Indirect Cost Rate: 10 %

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

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**Full Name of Contractor** FACES SF (Family & Child Empowerment Services San Francisco) **Contract Number** CCTR - 2229

**Section 5 - Supplemental Revenue**

| | Column A Cumulative FY CDNFS 9500 | Column B Audit Adjustments | Column C Cumulative per Audit |
|---|---|---|---|
| Enhancement Funding | | | |
| Other: | | | |
| Other: | | | |
| **Total Supplemental Revenue** | | | |

**Section 6 - Supplemental Expenses**

| | Column A Cumulative FY CDNFS 9500 | Column B Audit Adjustments | Column C Cumulative 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 | | | |
| **Total Supplemental Expenses** | | | |

**Full Name of Contractor** FACES SF (Family & Child Empowerment Services San Francisco) **Contract Number** CCTR - 2229

**Section 7 - Summary**

| | Column A Cumulative FY CDNFS 9500 | Column B Audit Adjustments | Column C Cumulative per Audit |
|---|---|---|---|
| Total Certified Days of Enrollment (including MHCS) | 50564 | | 50564 |
| Days of Operation | 246 | | 246 |
| Days of Attendance (including MHCS) | 48563 | | 48563 |
| Restricted Program Income | 1768851 | -32221 | 1736630 |
| Transfer from Reserve | | | |
| Waived Family Fees for Certified Children | 196827 | | 196827 |
| Interest Earned on Child Development Apportionment Payments | | | |
| Direct Payments to Providers | 3263980 | | 3263980 |
| Start-up Expenses (service level exemption) | | | |
| Total Reimbursable Expenses | 10108872 | 263856 | 10372728 |
| Total Administrative Cost | | 684177 | 684177 |
| Total Staff Training Cost | | | |

Total Certified Adjusted Days of Enrollment (including MHCS) 50,564.0000

Total Non-Certified Adjusted Days of Enrollment (including MHCS) 210.0000

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 3 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 2. If necessary, attach additional sheets to explain adjustments.

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# CHILD CARE AND DEVELOPMENT PROGRAMS CERTIFIED CHILDREN DAYS OF ENROLLMENT AND ATTENDANCE

**Fiscal Year Ending** June 30, 2023
**Contract Number** CCTR - 2229
**Vendor Code** B603

**Full Name of Contractor** FACES SF (Family & Child Empowerment Services San Francisco)

**Service County:** San Francisco

| | Column A Cumulative FY CDNFS 9500 | 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 | 20 | | 20 | 2.8792 | 57.5840 |
| Infants (up to 18 months) Full-time | 5,838 | | 5838 | 2.4400 | 14244.7200 |
| Infants (up to 18 months) One-half-time | 58 | | 58 | 1.5338 | 88.9604 |
| Toddlers (18 up to 36 months) Full-time-plus | 106 | | 106 | 2.1240 | 225.1440 |
| Toddlers (18 up to 36 months) Full-time | 14,565 | | 14565 | 1.8000 | 26217.0000 |
| Toddlers (18 up to 36 months) One-half-time | 136 | | 136 | 1.1315 | 153.8840 |
| Three Years and Older Full-time-plus | 64 | | 64 | 1.1800 | 75.5200 |
| Three Years and Older Full-time | 845 | | 845 | 1.0000 | 845.0000 |
| Three Years and Older One-half-time | 0 | | | 0.6286 | |
| Exceptional Needs Full-time-plus | 0 | | | 1.8172 | |
| Exceptional Needs Full-time | 20 | | 20 | 1.5400 | 30.8000 |
| Exceptional Needs One-half-time | 189 | | 189 | 0.9680 | 182.9520 |

**Full Name of Contractor** FACES SF (Family & Child Empowerment Services San Francisco) **Contract Number** CCTR - 2229

| | Column A Cumulative FY CDNFS 9500 | Column B Audit Adjustments | Column C Cumulative per Audit | Column D Adjustment Factor | Column E Adjusted Days per Audit |
|---|---|---|---|---|---|
| Dual Language Learner Full-time-plus | 154 | | 154 | 1.2980 | 199.8920 |
| Dual Language Learner Full-time | 6,642 | | 6642 | 1.1000 | 7306.2000 |
| Dual Language Learner One-half-time | 127 | | 127 | 0.6286 | 79.8322 |
| 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 One-half-time | | | | 0.6286 | |
| Severely Disabled Full-time-plus | | | | 2.2774 | |
| Severely Disabled Full-time | | | | 1.9300 | |
| Severely Disabled One-half-time | | | | 1.2132 | |
| **Total Certified Days of Enrollment** | **28764** | | **28764** | **N/A** | **49707.4886** |
| **Days of Attendance** | **28,722** | | **28722** | **N/A** | **N/A** |

Enter the sum of Total Certified Days of Enrollment from Form AUD9500.1(s) in the Total Certified Days of Enrollment line of AUD 9500, Section 2.

Enter the sum of Days of Attendance from all Form AUD9500.1(s) and Form AUD9500.2(s) in the Days of Attendance line of AUD 9500, Section 2.

# CHILD CARE AND DEVELOPMENT PROGRAMS CERTIFIED CHILDREN RECEIVING MENTAL HEALTH CONSULTATION SERVICES DAYS OF ENROLLMENT AND ATTENDANCE

**Fiscal Year Ending** June 30, 2023
**Contract Number** CCTR - 2229
**Vendor Code** B603

**Full Name of Contractor** FACES SF (Family & Child Empowerment Services San Francisco)

**Service County:** San Francisco

| | Column A Cumulative FY 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 | 0 | | | 2.9792 | |
| Infants (up to 18 months) Full-time | 2,348 | | 2348 | 2.5400 | 5963.9200 |
| Infants (up to 18 months) One-half-time | 8 | | 8 | 1.6338 | 13.0704 |
| Toddlers (18 up to 36 months) Full-time-plus | 0 | | | 2.2240 | |
| Toddlers (18 up to 36 months) Full-time | 7,486 | | 7486 | 1.9000 | 14223.4000 |
| Toddlers (18 up to 36 months) One-half-time | 25 | | 25 | 1.2315 | 30.7875 |
| Three Years and Older Full-time-plus | 0 | | | 1.2800 | |
| Three Years and Older Full-time | 3,418 | | 3418 | 1.1000 | 3759.8000 |
| Three Years and Older One-half-time | 6,366 | | 6366 | 0.7286 | 4638.2676 |
| Exceptional Needs Full-time-plus | 0 | | | 1.9172 | |
| Exceptional Needs Full-time | 97 | | 97 | 1.6400 | 159.0800 |
| Exceptional Needs One-half-time | 279 | | 279 | 1.0680 | 297.9720 |

**Full Name of Contractor** FACES SF (Family & Child Empowerment Services San Francisco) **Contract Number** CCTR - 2229

| | Column A Cumulative FY CDNFS 9500MHCS | Column B Audit Adjustments | Column C Cumulative per Audit | Column D Adjustment Factor | Column E Adjusted Days per Audit |
|---|---|---|---|---|---|
| Dual Language Learner Full-time-plus | 0 | | | 1.3980 | |
| Dual Language Learner Full-time | 723 | | 723 | 1.2000 | 867.6000 |
| Dual Language Learner One-half-time | 1,050 | | 1050 | 0.7286 | 765.0300 |
| At Risk of Abuse or Neglect Full-time-plus | | | | 1.3980 | |
| At Risk of Abuse or Neglect Full-time | | | | 1.2000 | |
| At Risk of Abuse or Neglect One-half-time | | | | 0.7286 | |
| Severely Disabled Full-time-plus | | | | 2.3774 | |
| Severely Disabled Full-time | | | | 2.0300 | |
| Severely Disabled One-half-time | | | | 1.3132 | |
| **TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES** | **21800** | | **21800** | **N/A** | **30718.9275** |
| **DAYS OF ATTENDANCE** | **19,841** | | **19841** | **N/A** | **N/A** |

Enter the sum of Total Certified Days of Enrollment with Mental Health Consultation Services from Form AUD 9500.2(s) in the Total Certified Days of Enrollment with Mental Health Consultation Services line of AUD 9500, Section 2.

Enter the sum of Days of Attendance from all Form AUD 9500.1(s) and Form AUD 9500.2(s) in the Days of Attendance line of AUD 9500, Section 2.

# CHILD CARE AND DEVELOPMENT PROGRAMS
# NON-CERTIFIED CHILDREN RECEIVING MENTAL HEALTH CONSULTATION SERVICES DAYS OF ENROLLMENT

**Fiscal Year Ending** June 30, 2023
**Contract Number** CCTR - 2229
**Vendor Code** B603

**Full Name of Contractor** FACES SF (Family & Child Empowerment Services San Francisco)

**Service County:** San Francisco

| | Column A Cumulative FY 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 | 0 | | | 2.9792 | |
| Infants (up to 18 months) Full-time | 0 | | | 2.5400 | |
| Infants (up to 18 months) One-half-time | 0 | | | 1.6338 | |
| Toddlers (18 up to 36 months) Full-time-plus | 0 | | | 2.2240 | |
| Toddlers (18 up to 36 months) Full-time | 210 | | 210 | 1.9000 | 399.0000 |
| Toddlers (18 up to 36 months) One-half-time | 0 | | | 1.2315 | |
| Three Years and Older Full-time-plus | 0 | | | 1.2800 | |
| Three Years and Older Full-time | 0 | | | 1.1000 | |
| Three Years and Older One-half-time | 0 | | | 0.7286 | |
| Exceptional Needs Full-time-plus | 0 | | | 1.9172 | |
| Exceptional Needs Full-time | 0 | | | 1.6400 | |
| Exceptional Needs One-half-time | 0 | | | 1.0680 | |

**Full Name of Contractor** FACES SF (Family & Child Empowerment Services San Francisco) **Contract Number** CCTR - 2229

| | Column A Cumulative FY CDNFS 9500MHCS | Column B Audit Adjustments | Column C Cumulative per Audit | Column D Adjustment Factor | Column E Adjusted Days per Audit |
|---|---|---|---|---|---|
| Dual Language Learner Full-time-plus | 0 | | | 1.3980 | |
| Dual Language Learner Full-time | 0 | | | 1.2000 | |
| Dual Language Learner One-half-time | 0 | | | 0.7286 | |
| At Risk of Abuse or Neglect Full-time-plus | 0 | | | 1.3980 | |
| At Risk of Abuse or Neglect Full-time | 0 | | | 1.2000 | |
| At Risk of Abuse or Neglect One-half-time | 0 | | | 0.7286 | |
| Severely Disabled Full-time-plus | 0 | | | 2.3774 | |
| Severely Disabled Full-time | 0 | | | 2.0300 | |
| Severely Disabled One-half-time | 0 | | | 1.3132 | |
| **TOTAL NON-CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES** | **210** | | **210** | **N/A** | **399.0000** |

Enter the sum of Total Non-Certified Days of Enrollment with Mental Health Consultation Services from Form AUD 9500.4(s) in the Total Non-Certified Days of Enrollment with Mental Health Consultation Services line of AUD 9500, Section 2.

**Contractor Name: FACES SF (Family & Child Empowerment Services San Francisco)**

**Contract Number: CSPP-2471**

**Fiscal Year Ended: June 30, 2023**

**Vendor Code: B603**

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

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

Number of counties where the agency provided services to certified children (Form 1): **0**

Number of counties where the agency provided mental health consultation services to certified children (Form 2): **1**

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

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4): **1**

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

## 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 | 415 | 0 | 415 | 570.6000 |
| Total Certified Days of Enrollment with Mental Health Consultation Services | 21,783 | 0 | 21,783 | 31,964.1546 |
| Days of Attendance (including MHCS) | 21,489 | 0 | 21,489 | N/A |
| Total Non-Certified Days of Enrollment | 0 | 0 | 0 | 0.0000 |
| Total Non-Certified Days of Enrollment with Mental Health Consultation Services | 674 | 0 | 674 | 922.2000 |

| 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 | 127 | | 127 | N/A |

## Section 3 – Revenue

| Restricted Income | Column A – Cumulative FY per CPARIS | Column B – Audit Adjustments | Column C – Cumulative FY per Audit |
|---|---|---|---|
| Child Nutrition Programs | 30,800 | 14,566 | 45,366 |
| County Maintenance of Effort (EC Section 8260) | | | 0 |
| Other: OECE Grant and In-Kind | 219,811 | 149,654 | 369,465 |
| Other: | | | 0 |
| **TOTAL RESTRICTED INCOME** | **250,611** | **164,220** | **414,831** |

| Transfer from Reserve | Column A – Cumulative FY per CPARIS | Column B – Audit Adjustments | Column C – Cumulative FY per Audit |
|---|---|---|---|
| Transfer from Preschool Reserve Account | | | 0 |

| Other Income | Column A – Cumulative FY per CPARIS | Column B – Audit Adjustments | Column C – Cumulative FY per Audit |
|---|---|---|---|
| Waived Family Fees for Certified Children | 97,879 | | 97,879 |
| Interest Earned on Child Development Apportionment Payments | | | 0 |
| Unrestricted Income: Fees for Non-Certified Children | 10,695 | 5,183 | 15,878 |
| Unrestricted Income: Head Start | | | 0 |
| Other: | | | 0 |
| Other: | | | 0 |

## Section 4 - Reimbursable Expenses

| Cost Category | Column A – Cumulative FY per CPARIS | Column B – Audit Adjustments | Column C – Cumulative FY per Audit |
|---|---|---|---|
| Direct Payments to Providers (FCCH only) | 28,781 | | 28,781 |
| 1000 Certificated Salaries | 1,247,499 | 61,945 | 1,309,444 |
| 2000 Classified Salaries | 325,892 | 2,234 | 328,126 |
| 3000 Employee Benefits | 451,543 | 20,708 | 472,251 |
| 4000 Books and Supplies | 125,577 | 2,059 | 127,636 |
| 5000 Services and Other Operating Expenses | 505,799 | 77,529 | 583,328 |
| 6100/6200 Other Approved Capital Outlay | | | 0 |
| 6400 New Equipment (program-related) | | | 0 |
| 6500 Equipment Replacement (program-related) | 1,044 | | 1,044 |
| Depreciation or Use Allowance | | | 0 |
| Start-up Expenses (service level exemption) | | | 0 |
| Indirect Costs (include in Total Administrative Cost) | | | 0 |
| **TOTAL REIMBURSABLE EXPENSES** | **2,686,135** | **164,475** | **2,850,610** |

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

Approved Indirect Cost Rate: 9 %

| 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) | | 293,218 | 293,218 |
| Total Staff Training Cost (included in Reimbursable Expenses) | | | 0 |

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

## Section 5 - Supplemental Funding

| Supplemental Revenue | Column A – Cumulative FY per CPARIS | Column B – Audit Adjustments | Column C – Cumulative FY per Audit |
|---|---|---|---|
| Enhancement Funding | | | 0 |
| Other: | | | 0 |
| Other: | | | 0 |
| **TOTAL SUPPLEMENTAL REVENUE** | **0** | **0** | **0** |

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

## 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) | 22,198 | 0 | 22,198 |
| Days of Operation | 127 | 0 | 127 |
| Days of Attendance (including MHCS) | 21,489 | 0 | 21,489 |
| Total Certified Adjusted Days of Enrollment | N/A | N/A | 32,534.7546 |
| Total Non-Certified Adjusted Days of Enrollment | N/A | N/A | 922.2000 |
| Restricted Program Income | 250,611 | 164,220 | 414,831 |
| Transfer from Preschool Reserve Account | 0 | 0 | 0 |
| Interest Earned on Apportionment Payments | 0 | 0 | 0 |
| Direct Payments to Providers | 28,781 | 0 | 28,781 |
| Start-up Expenses (service level exemption) | 0 | 0 | 0 |
| Total Reimbursable Expenses | 2,686,135 | 164,475 | 2,850,610 |
| Total Administrative Cost | 0 | 293,218 | 293,218 |
| Total Staff Training Cost | 0 | 0 | 0 |
| Non-Reimbursable Cost (State Use Only) | N/A | N/A | |

## Section 7 – Auditor's Assurances

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

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

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

## Section 8 – Comments

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

**Contractor Name: FACES SF (Family & Child Empowerment Services San Francisco) Contract Number: CSPP-2471**

# California State Preschool Program – Form 1
# Certified Children Days of Enrollment and Attendance

## Service County: San Francisco

| 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 Old Full-time-plus | | | 0 | 2.1240 | 0.0000 |
| Three Years Old Full-time | 121 | | 121 | 1.8000 | 217.8000 |
| Three Years Old Part-time | | | 0 | 1.1315 | 0.0000 |
| Four Years and Older Full-time-plus | | | 0 | 1.1800 | 0.0000 |
| Four Years and Older Full-time | | | 0 | 1.0000 | 0.0000 |
| Four Years and Older Part-time | | | 0 | 0.6286 | 0.0000 |
| Exceptional Needs Full-time-plus | | | 0 | 2.8320 | 0.0000 |
| Exceptional Needs Full-time | | | 0 | 2.4000 | 0.0000 |
| Exceptional Needs Part-time | | | 0 | 1.5086 | 0.0000 |
| Dual Language Learner Full-time-plus | | | 0 | 1.4160 | 0.0000 |
| Dual Language Learner Full-time | 294 | | 294 | 1.2000 | 352.8000 |
| Dual Language Learner Part-time | | | 0 | 0.6286 | 0.0000 |

**Contractor Name: FACES SF (Family & Child Empowerment Services San Francisco) Contract Number: CSPP-2471**

| 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 |
|---|---|---|---|---|---|
| At Risk of Abuse or Neglect Full-time-plus | | | 0 | 1.2980 | 0.0000 |
| At Risk of Abuse or Neglect Full-time | | | 0 | 1.1000 | 0.0000 |
| At Risk of Abuse or Neglect Part-time | | | 0 | 0.6286 | 0.0000 |
| Severely Disabled Full-time-plus | | | 0 | 2.8320 | 0.0000 |
| Severely Disabled Full-time | | | 0 | 2.4000 | 0.0000 |
| Severely Disabled Part-time | | | 0 | 1.5086 | 0.0000 |
| **TOTAL CERTIFIED DAYS OF ENROLLMENT** | **415** | **0** | **415** | N/A | **570.6000** |

| 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 |
|---|---|---|---|---|---|
| **DAYS OF ATTENDANCE** | **415** | | **415** | N/A | N/A |

**Contractor Name: FACES SF (Family & Child Empowerment Services San Francisco) Contract Number: CSPP-2471**

# California State Preschool Program – Form 2
# Certified Children Receiving Mental Health Consultation Services
# Days of Enrollment and Attendance

**Service County: San Francisco**

| 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 Old Full-time-plus | | | 0 | 2.2240 | 0.0000 |
| Three Years Old Full-time | 7,146 | | 7,146 | 1.9000 | 13,577.4000 |
| Three Years Old Part-time | 18 | | 18 | 1.2315 | 22.1670 |
| Four Years and Older Full-time-plus | | | 0 | 1.2800 | 0.0000 |
| Four Years and Older Full-time | 9,288 | | 9,288 | 1.1000 | 10,216.8000 |
| Four Years and Older Part-time | 44 | | 44 | 0.7286 | 32.0584 |
| Exceptional Needs Full-time-plus | | | 0 | 2.9320 | 0.0000 |
| Exceptional Needs Full-time | 1,046 | | 1,046 | 2.5000 | 2,615.0000 |
| Exceptional Needs Part-time | | | 0 | 1.6086 | 0.0000 |
| Dual Language Learner Full-time-plus | | | 0 | 1.5160 | 0.0000 |
| Dual Language Learner Full-time | 4,219 | | 4,219 | 1.3000 | 5,484.7000 |
| Dual Language Learner Part-time | 22 | | 22 | 0.7286 | 16.0292 |

**Contractor Name: FACES SF (Family & Child Empowerment Services San Francisco) Contract Number: CSPP-2471**

| 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 |
|---|---|---|---|---|---|
| At Risk of Abuse or Neglect Full-time-plus | | | 0 | 1.3980 | 0.0000 |
| At Risk of Abuse or Neglect Full-time | | | 0 | 1.2000 | 0.0000 |
| At Risk of Abuse or Neglect Part-time | | | 0 | 0.7286 | 0.0000 |
| Severely Disabled Full-time-plus | | | 0 | 2.9320 | 0.0000 |
| Severely Disabled Full-time | | | 0 | 2.5000 | 0.0000 |
| Severely Disabled Part-time | | | 0 | 1.6086 | 0.0000 |
| **TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES** | **21,783** | **0** | **21,783** | N/A | **31,964.1546** |

| 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 |
|---|---|---|---|---|---|
| **DAYS OF ATTENDANCE** | **21,074** | | **21,074** | N/A | N/A |

**Contractor Name: FACES SF (Family & Child Empowerment Services San Francisco) Contract Number: CSPP-2471**

# California State Preschool Program – Form 3
# Non-Certified Children Days of Enrollment

## Service County: San Francisco

| 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 |
|---|---|---|---|---|---|
| Toddlers (18 up to 36 months) Full-time-plus | | | 0 | 2.1240 | 0.0000 |
| Toddlers (18 up to 36 months) Full-time | | | 0 | 1.8000 | 0.0000 |
| Toddlers (18 up to 36 months) Part-time | | | 0 | 0.9900 | 0.0000 |
| Three Years Old Full-time-plus | | | 0 | 2.1240 | 0.0000 |
| Three Years Old Full-time | | | 0 | 1.8000 | 0.0000 |
| Three Years Old Part-time | | | 0 | 1.1315 | 0.0000 |
| Four Years and Older Full-time-plus | | | 0 | 1.1800 | 0.0000 |
| Four Years and Older Full-time | | | 0 | 1.0000 | 0.0000 |
| Four Years and Older Part-time | | | 0 | 0.6286 | 0.0000 |
| Exceptional Needs Full-time-plus | | | 0 | 2.8320 | 0.0000 |
| Exceptional Needs Full-time | | | 0 | 2.4000 | 0.0000 |
| Exceptional Needs Part-time | | | 0 | 1.5086 | 0.0000 |
| Dual Language Learner Full-time-plus | | | 0 | 1.4160 | 0.0000 |
| Dual Language Learner Full-time | | | 0 | 1.2000 | 0.0000 |
| Dual Language Learner Part-time | | | 0 | 0.6286 | 0.0000 |

**Contractor Name: FACES SF (Family & Child Empowerment Services San Francisco) Contract Number: CSPP-2471**

| 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 |
|---|---|---|---|---|---|
| At Risk of Abuse or Neglect Full-time-plus | | | 0 | 1.2980 | 0.0000 |
| At Risk of Abuse or Neglect Full-time | | | 0 | 1.1000 | 0.0000 |
| At Risk of Abuse or Neglect Part-time | | | 0 | 0.6286 | 0.0000 |
| Severely Disabled Full-time-plus | | | 0 | 2.8320 | 0.0000 |
| Severely Disabled Full-time | | | 0 | 2.4000 | 0.0000 |
| Severely Disabled Part-time | | | 0 | 1.5086 | 0.0000 |
| **TOTAL NON-CERTIFIED DAYS OF ENROLLMENT** | **0** | **0** | **0** | N/A | **0.0000** |

**Contractor Name: FACES SF (Family & Child Empowerment Services San Francisco) Contract Number: CSPP-2471**

# California State Preschool Program – Form 4
# Non-Certified Children Receiving Mental Health Consultation Services
# Days of Enrollment

## Service County: San Francisco

| 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 |
|---|---|---|---|---|---|
| Toddlers (18 up to 36 months) Full-time-plus | | | 0 | 2.2240 | 0.0000 |
| Toddlers (18 up to 36 months) Full-time | | | 0 | 1.9000 | 0.0000 |
| Toddlers (18 up to 36 months) Part-time | | | 0 | 1.0900 | 0.0000 |
| Three Years Old Full-time-plus | | | 0 | 2.2240 | 0.0000 |
| Three Years Old Full-time | 226 | | 226 | 1.9000 | 429.4000 |
| Three Years Old Part-time | | | 0 | 1.2315 | 0.0000 |
| Four Years and Older Full-time-plus | | | 0 | 1.2800 | 0.0000 |
| Four Years and Older Full-time | 448 | | 448 | 1.1000 | 492.8000 |
| Four Years and Older Part-time | | | 0 | 0.7286 | 0.0000 |
| Exceptional Needs Full-time-plus | | | 0 | 2.9320 | 0.0000 |
| Exceptional Needs Full-time | | | 0 | 2.5000 | 0.0000 |
| Exceptional Needs Part-time | | | 0 | 1.6086 | 0.0000 |
| Dual Language Learner Full-time-plus | | | 0 | 1.5160 | 0.0000 |
| Dual Language Learner Full-time | | | 0 | 1.3000 | 0.0000 |
| Dual Language Learner Part-time | | | 0 | 0.7286 | 0.0000 |

**Contractor Name: FACES SF (Family & Child Empowerment Services San Francisco) Contract Number: CSPP-2471**

| 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 |
|---|---|---|---|---|---|
| At Risk of Abuse or Neglect Full-time-plus | | | 0 | 1.3980 | 0.0000 |
| At Risk of Abuse or Neglect Full-time | | | 0 | 1.2000 | 0.0000 |
| At Risk of Abuse or Neglect Part-time | | | 0 | 0.7286 | 0.0000 |
| Severely Disabled Full-time-plus | | | 0 | 2.9320 | 0.0000 |
| Severely Disabled Full-time | | | 0 | 2.5000 | 0.0000 |
| Severely Disabled Part-time | | | 0 | 1.6086 | 0.0000 |
| **TOTAL NON-CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES** | **674** | **0** | **674** | N/A | **922.2000** |