FACES SF

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

June 30, 2025
(With Comparative Totals for 2024)

armanino

TABLE OF CONTENTS

	Page No.
Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 18
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*	20 - 21
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	22 - 24
Schedule of Expenditures of Federal and State Awards	25
Notes to Schedule of Expenditures of Federal and State Awards	26
Schedule of Findings and Questioned Costs	27 - 28
Summary Schedule of Prior Audit Findings	29
Supporting Schedules Required by the California Department of Education	
Appendix A - Child Care Supplemental Information	31
General Information	32
Combining Statement of Activities	33
Combining Schedule of Renovation and Repair Expenditures	34
Combining Schedule of Claimed Equipment Expenditures	35
Combining Schedule of Administrative Costs	36
Combining Schedule of Expenditures by State Categories	37

TABLE OF CONTENTS

Reconciliation of CDE and GAAP Expense Reporting 38

Notes to Child Care Supplementary Information 39

Appendix B - Audited Final Attendance and Fiscal Report Forms 40

AUD 9500 - Audited Final Attendance and Fiscal Report for Child Development Programs (CCTR-4286) 41 - 53

AUD 8501 - Attendance and Fiscal Report for California State Preschool Programs (CSPP-4474) 54 - 68

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
FACES SF

Opinion

We have audited the accompanying financial statements of FACES SF (the "Organization"), which comprise the statement of financial position as of June 30, 2025, 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, 2025, 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.

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 and state awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information shown on pages 31 - 68 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, 2025, 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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Armanino LLP

San Francisco, California

December 15, 2025

FACES SF
Statement of Financial Position
June 30, 2025
(With Comparative Totals for 2024)

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,580,917	$ 4,531,479
Investments	4,799,865	4,364,978
Grants receivable	1,637,595	2,965,852
Contributions receivable	50,000	451,400
Prepaid and other current assets	26,661	75,681
Total current assets	13,095,038	12,389,390
Noncurrent assets		
Property and equipment, net	730,951	34,540
Finance lease right-of-use asset	34,811	47,470
Operating lease right-of-use assets	1,211,634	647,249
Total noncurrent assets	1,977,396	729,259
Total assets	$ 15,072,434	$ 13,118,649
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 102,010	$ 203,631
Accrued expenses	2,696,250	2,295,522
Deferred revenue	2,244,650	2,298,162
Current portion of finance lease liability	12,754	12,314
Current portion of operating lease liabilities	89,265	65,957
Total current liabilities	5,144,929	4,875,586
Long-term liabilities		
Finance lease liability, net of current portion	23,429	36,183
Operating lease liabilities, net of current portion	1,141,733	589,485
Total long-term liabilities	1,165,162	625,668
Total liabilities	6,310,091	5,501,254
Net assets		
Without donor restrictions	7,813,816	6,605,586
With donor restrictions	948,527	1,011,809
Total net assets	8,762,343	7,617,395
Total liabilities and net assets	$ 15,072,434	$ 13,118,649

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

FACES SF
Statement of Activities
For the Year Ended June 30, 2025
(With Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Revenues, gains, and other support				
Grants and contracts	$ 19,141,333	$ -	$ 19,141,333	$ 16,677,456
Program service fees	37,042	-	37,042	67,924
Contributions	571,063	457,000	1,028,063	1,459,324
In-kind contributions	175,830	-	175,830	158,600
Realized and unrealized gains on investments, net	334,701	-	334,701	337,605
Interest and dividends, net of investment fees	123,317	-	123,317	145,724
Net assets released from restrictions	520,282	(520,282)	-	-
Total revenues, gains, and other support	20,903,568	(63,282)	20,840,286	18,846,633
Functional expenses				
Program services	17,255,000	-	17,255,000	14,980,446
Management and general	2,179,422	-	2,179,422	1,808,447
Fundraising	260,916	-	260,916	727,376
Total functional expenses	19,695,338	-	19,695,338	17,516,269
Change in net assets	1,208,230	(63,282)	1,144,948	1,330,364
Net assets, beginning of year	6,605,586	1,011,809	7,617,395	6,287,031
Net assets, end of year	$ 7,813,816	$ 948,527	$ 8,762,343	$ 7,617,395

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

FACES SF
Statement of Functional Expenses
For the Year Ended June 30, 2025
(With Comparative Totals for 2024)

	Program Services	Management and General	Fundraising	2025 Total	2024 Total
Personnel expenses					
Salaries and wages	$ 7,019,738	$ 1,490,217	$ 160,163	$ 8,670,118	$ 8,055,821
Employee benefits	2,074,293	468,846	51,268	2,594,407	2,133,843
Total personnel expenses	9,094,031	1,959,063	211,431	11,264,525	10,189,664
Program provider payments	5,040,791	-	-	5,040,791	4,316,960
Program support, services and activities	1,387,909	23,341	6,184	1,417,434	1,304,563
Facility, equipment, phone, internet, and vehicles	707,084	80,583	5,451	793,118	742,225
Program supplies and materials	571,511	47,017	19,541	638,069	557,305
Insurance, licenses, fees and taxes	156,715	40,347	10,461	207,523	168,847
Outside services	45,027	24,353	6,621	76,001	110,882
Staff development	243,292	4,718	704	248,714	108,503
Fundraising event expenses	-	-	523	523	8,680
Depreciation	8,640	-	-	8,640	8,640
	$ 17,255,000	$ 2,179,422	$ 260,916	$ 19,695,338	$ 17,516,269

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

FACES SF
Statement of Cash Flows
For the Year Ended June 30, 2025
(With Comparative Totals for 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 1,144,948	$ 1,330,364
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	8,640	8,640
Amortization of right-of-use lease assets	90,786	79,003
Realized and unrealized gains on investments	(334,701)	(337,605)
Grants receivable	1,328,257	(949,323)
Contributions receivable	401,400	(451,400)
Prepaid and other current assets	35,915	(68,213)
Accounts payable	(101,621)	60,001
Accrued expenses	400,728	(13,875)
Deferred revenue	(40,407)	1,445,051
Operating lease liabilities	(66,956)	(62,862)
Net cash provided by operating activities	2,866,989	1,039,781
Cash flows from investing activities		
Purchase of investments	(100,186)	(103,944)
Purchase of property and equipment	(705,051)	-
Net cash used in investing activities	(805,237)	(103,944)
Cash flows from financing activities		
Principal repayments on finance lease	(12,314)	(11,889)
Net cash used in financing activities	(12,314)	(11,889)
Net increase in cash	2,049,438	923,948
Cash and cash equivalents, beginning of year	4,531,479	3,607,531
Cash and cash equivalents, end of year	$ 6,580,917	$ 4,531,479

Supplemental schedule of noncash investing and financing activities

Right-of-use asset obtained in exchange for operating lease liability	$ 642,512	$ -

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

FACES SF
Notes to Financial Statements
June 30, 2025

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, 2025.

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.

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. At June 30, 2025 cash equivalents were comprised of interest-bearing savings and money market accounts.

Investments

Investments are comprised of mutual funds, exchange traded funds, common and foreign stocks, corporate and foreign bonds, and money market deposits. Mutual funds, exchange traded 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Level 2 and are valued at closing market prices and bid quotations on the date of business closest to June 30.

Grants receivable

Grants receivable consist of amounts due from governmental agencies. Reserves for potential credit losses 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, 2025, 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 15 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.

Leases

The Organization leases office space and equipment under operating leases and a finance lease, respectively. The Organization determines if an arrangement is a lease at inception. The operating leases are reported as operating lease right-of-use ("ROU") assets and operating lease liabilities on the statement of financial position. The finance lease is reported as a finance lease right-of-use asset and finance lease liability on the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit rate, it has elected to use a risk-free rate based on the information available at the lease commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has elected not to recognize right-of-use assets and lease liabilities for short-term leases and instead records them in a manner similar to operating leases under legacy leasing guidelines. A short-term lease is one with a maximum lease term of 12 months or fewer and does not include an extension option that the lessee is reasonably certain to exercise.

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.

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. 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. As of June 30, 2025, contributions receivable totaled $50,000 and are expected to be collected within one year. An allowance for uncollectible contributions receivable is established based upon management's judgment including such factors as prior collection history, aging statistics of contributions, and the nature of the receivable. At June 30, 2025, there was no allowance for uncollectible contributions receivable as all amounts were considered collectible.

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, 2025, approximately 99% of grants receivable were comprised of amounts due from two governmental funders. For the year ended June 30, 2025, 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 23701d 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, 2025, 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, 2024 from which the summarized information was derived.

Subsequent events

The Organization has evaluated subsequent events through December 15, 2025, 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	$ 97,524
Mutual funds	132,122
Exchange traded funds	322,673
Domestic and foreign common stocks	2,616,236
Corporate and foreign bonds	1,631,310
	$ 4,799,865

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2025:

	Level 1	Level 2	Level 3	Fair Value
Money market funds	$ 97,524	$ -	$ -	$ 97,524
Mutual funds	132,122	-	-	132,122
Exchange traded funds	322,673	-	-	322,673
Domestic and foreign common stocks	2,616,236	-	-	2,616,236
Corporate and foreign bonds	-	1,631,310	-	1,631,310
	$ 3,168,555	$ 1,631,310	$ -	$ 4,799,865

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Vehicles	$ 211,993
Equipment	87,388
Furniture and equipment	247,118
Leasehold improvements	365,161
Construction in progress	172,866
	1,084,526
Accumulated depreciation	(353,575)
	$ 730,951

Depreciation expense totaled $8,640 for the year ended June 30, 2025.

5. ACCRUED EXPENSES

Accrued expenses consisted of the following:

Accrued provider expenses	$ 446,726
Accrued salaries and wages	1,507,183
Accrued vacation	399,658
Other accrued expenses	342,683
	$ 2,696,250

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 which the Organization is reasonably certain it will exercise. The lease requires a monthly lease payment ranging from $6,758 to $7,540.

During 2025, the Organization signed a non-cancelable operating lease for an office and operation facility on Sunnydale Avenue in San Francisco, expiring in March 2030. The lease has an option to extend for two consecutive five-year terms. The Organization is reasonably certain it will exercise both options which will expire in March 2040. The lease requires a monthly lease payment ranging from $4,072 to $6,344.

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.

Additional information related to leases is as follows:

Lease cost	
Operating lease cost	$ 101,525
Finance lease cost	
Amortization of lease right-of-use asset	12,659
Interest on lease liability	1,510
Variable lease cost	18,090
	$ 133,784
Operating cash flows from operating leases	$ 92,457
Weighted average remaining lease term - operating leases	11.3 years
Weighted average remaining lease term - finance lease	2.8 years
Weighted average discount rate - operating leases	3.81%
Weighted average discount rate - finance lease	3.52%

6. LEASES (continued)

Future minimum lease payments under non-cancellable leases as of June 30, 2025 were as follows:

Year ending June 30,	Operating	Finance	Total
2026	$ 134,777	$ 13,824	$ 148,601
2027	137,124	13,824	150,948
2028	139,525	10,368	149,893
2029	141,980	-	141,980
2030	144,492	-	144,492
Thereafter	869,414	-	869,414
	1,567,312	38,016	1,605,328
Less: imputed interest	(336,314)	(1,833)	(338,147)
Total lease liabilities, net of interest	1,230,998	36,183	1,267,181
Current portion	(89,265)	(12,754)	(102,019)
	$ 1,141,733	$ 23,429	$ 1,165,162

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Restricted for a specific purpose	
Job placement and readiness	$ 245,564
Educational programs	251,176
Site development and renovations	337,762
Meals and nutrition program	55,000
Other	9,025
	898,527
Restricted for passage of time	
Contributions receivable	50,000
	$ 948,527

7. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets released from restriction consisted of the following:

Site development and renovations	$	336,241
Inclusion and specialized programs		51,400
Educational programs		48,824
Meals and nutrition programs		20,000
Job placement and readiness		13,817
Passage of time		50,000
	$	520,282

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 $10,128 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, 2025 were as follows:

Donated rent	$	145,530
Donated subscription services		30,300
	$	175,830

Donated rent is valued at the estimated fair market value based on current rates for similar properties in the neighborhood. Donated subscription services is valued based on the current rates for similar activities. The in-kind rent and subscription services received during the year ended June 30, 2025 included no donor restrictions. Contributed rent was utilized by the Organization for its child development and family support programs. Contributed subscription services was used for general operations.

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.

9. COMMITMENTS AND CONTINGENCIES (continued)

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 2025 totaled $767,380.

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, 2025 to fund general expenditures and other obligations when they become due:

Financial assets	
Cash and cash equivalents	$ 6,580,917
Investments	4,799,865
Grants receivable	1,637,595
Contributions receivable	50,000
	13,068,377
Less: amounts unavailable for general expenditures	
Net assets restricted for a specific purpose	(898,527)
	$ 12,169,850

The Organization has financial assets available at June 30, 2025 to cover approximately 7 months of operating expenses based on the actual fiscal year 2025 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

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, 2025, 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, 2025.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and prior year findings as items 2025-001 that we consider to be a significant deficiency.

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*.

FACES SF's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

San Francisco, California

December 15, 2025

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

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, 2025. 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, 2025.

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

San Francisco, California

December 15, 2025

FACES SF
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

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 Agriculture			
Pass-through program from California State Department of Education:			
Child and Adult Care Food Program - Center Base	10.558	04463-CACFP-38-NP-CS	$ 162,749
Total U.S. Department of Agriculture			162,749
U.S. Department of Health & Human Services			
CCDF Cluster			
Pass-through program from California Department of Education:			
Child Care and Development Block Grant (CCTR-4286)	93.575	38-B603-00-4	2,687,190
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCTR-4286)	93.596	38-B603-00-4	207,055
Total CCDF Cluster			2,894,245
Total U.S. Department of Health & Human Services			2,894,245
Total Expenditures of Federal Awards			3,056,994
Expenditures of State Awards			
California Department of Education			
Child Development Division			
California State Preschool Program (CSPP-4474)	n/a	38-B603-00-4	5,203,433
Child Care and Development Block Grant (CCTR-4286)	n/a	38-B603-00-4	9,760,140
Total Expenditures of State Awards			14,963,573
Total Expenditures of Federal and State Awards			$ 18,020,567

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, 2025

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, 2025. 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 de minimis indirect cost rate for federal awards issued on or after October 1, 2024 is 15% and for awards issued before October 1, 2024, the de minimis indirect cost rate is 10%. The Organization has not elected to use the 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, 2025

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?	Yes
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
CCDF Cluster	
Child Care and Development Block Grant	93.575
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?	No

FACES SF
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

Finding number:	**2025-001**
Criteria:	During our audit of the financial statements for the year ended June 30, 2025, we noted that the Organization incurred certain capital expenditures related to leasehold improvements and equipment. These costs were recorded as expenses rather than being capitalized as property and equipment in accordance with U.S. generally accepted accounting principles (U.S. GAAP).
Condition:	Under U.S. GAAP, expenditures for property and equipment that provide future economic benefit and meet capitalization thresholds should be recorded as assets and depreciated over their useful lives. Proper capitalization ensures accurate presentation of financial position and results of operations.
Cause:	The Organization did not have adequate internal controls in place to ensure that significant capital expenditures were properly identified and recorded as property and equipment. The review process for large expenditures did not include verification against capitalization requirements.
Effect or potential effect:	As a result, the financial statements were misstated prior to audit adjustments. Expenses were overstated, and property and equipment were understated. While these expenditures were allowable under certain grant agreements for reimbursement purposes, they were not presented in accordance with U.S. GAAP.
Recommendation:	We recommend that the Organization strengthen its internal controls over financial reporting by implementing procedures to: (1) Review all significant expenditures for compliance with capitalization policies; (2) Train accounting personnel on U.S. GAAP requirements for property and equipment; (3) Establish a secondary review process for large transactions to ensure proper classification.
View of responsible officials:	Management agrees with the finding and is in the process of ensuring implementing policies and procedures to ensure that expenditures are classified properly and to ensure the adherence to capitalization policies for qualifying expenditures.
Management's response:	Management agrees with the finding and will implement the following corrective actions including the following: (1) Revise the Organization’s accounting policies to clearly define capitalization thresholds and procedures for property and equipment; (2) Provide training to finance and accounting personnel on U.S. GAAP capitalization requirements and internal procedure; (3) Establish a review and approval process for all expenditures exceeding the capitalization threshold to ensure proper classification before posting to the general ledger; (4) Conduct quarterly reviews of capital expenditures to confirm compliance with capitalization policies.

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, 2025

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, 2025

Agency Name	FACES SF (Family and Child Empowerment Services San Francisco)
Contract Numbers	General Child Care - CCTR-4286 Full Day Preschool - CSPP-4474 04463-CACFP-38-NP-CS
Type of Agency	Private Nonprofit Corporation
Address	1101 Masonic Avenue San Francisco, California 94117
Name of Executive Director	Jonathan Skolnick
Telephone Number	(415) 567-2357
Audit Period	July 1, 2024 through June 30, 2025
Number of Operations Days of Agency	246
Scheduled Daily Hours of Operation	Bayview/Hunters Point: 7:00am to 6:00pm Haight Ashbury: 7:00am to 6:00pm Hayes Valley: 7:00am to 5:30pm

FACES SF
Combining Statement of Activities
For the Year Ended June 30, 2025

	General Child Care CCTR-4286	Full Day Preschool CSPP-4474	DCYF	Workforce Program	Non-Government Programs	2025 Total
Revenue, gains and other support						
Grants and contracts	$ 10,816,083	$ 4,488,394	$ 387,058	$ 816,477	$ 366,497	$ 16,874,509
OECE grant revenue	1,472,852	631,223	-	-	-	2,104,075
Child nutrition program	113,924	48,825	-	-	-	162,749
Program service fees	25,929	11,113	-	-	-	37,042
Contributions	-	-	-	-	1,028,063	1,028,063
In-kind contributions	101,871	43,659	-	-	30,300	175,830
Realized and unrealized gains on investments, net	-	-	-	-	334,701	334,701
Interest and dividends, net of investment fees	-	-	-	-	123,317	123,317
Total revenue, gains and other support	12,530,659	5,223,214	387,058	816,477	1,882,878	20,840,286
Operating expenses						
Salaries	5,426,601	2,228,057	202,655	309,220	503,585	8,670,118
Payroll taxes and employee benefits	1,637,715	692,815	64,736	83,649	115,492	2,594,407
Program supplies and materials	381,278	204,575	24,024	-	28,192	638,069
Program provider payments	3,775,926	1,264,865	-	-	-	5,040,791
Contracted services and other operating expenses	1,211,241	697,622	52,929	342,649	438,872	2,743,313
Depreciation expense	7,204	1,436	-	-	-	8,640
Total operating expenses	12,439,965	5,089,370	344,344	735,518	1,086,141	19,695,338
Changes in net assets	$ 90,694	$ 133,844	$ 42,714	$ 80,959	$ 796,737	$ 1,144,948

FACES SF
Combining Schedule of Renovation and Repair Expenditures
For the Year Ended June 30, 2025

	General Child Care CCTR-4286	Full Day Preschool CSPP-4474	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
Combing Schedule of Claimed Equipment Expenditures
For the Year Ended June 30, 2025

	General Child Care CCTR-4286	Full Day Preschool CSPP-4474	Total
Capitalized equipment expensed on the AUD with prior written approval			
Capital projects	$ 214,421	$ 114,063	$ 328,484
Total capitalized equipment expensed on the aud with prior written approval	214,421	114,063	328,484
Capitalized equipment expensed on the AUD without prior written approval			
None	-	-	-
Total capitalized equipment expensed on the aud without prior written approval	-	-	-
Total expenses	$ 214,421	$ 114,063	$ 328,484

FACES SF
Combining Schedule of Administrative Costs
For the Year Ended June 30, 2025

	General Child Care CCTR-4286	Full Day Preschool CSPP-4474	Non-CDE	2025 Total
Administrative expenses				
Salaries	$ 1,043,152	$ 447,065	$ -	$ 1,490,217
Payroll taxes and employee benefits	328,192	140,654	-	468,846
Books and supplies	32,912	14,105	-	47,017
Contracted services and other operating expenses	121,340	52,002	-	173,342
Total administrative expenses	$ 1,525,596	$ 653,826	$ -	$ 2,179,422

FACES SF
Combining Schedule of Expenditures by State Categories
For the Year Ended June 30, 2025

		General Child Care CCTR-4286	Full Day Preschool CSPP-4474
1000	**CERTIFIED SALARIES**		
1000	Certified salaries	$ 3,466,238	$ 1,661,377
2000	**CLASSIFIED SALARIES**		
2000	Classified salaries	1,960,363	566,680
		1,960,363	566,680
3000	**EMPLOYEE BENEFITS**		
3000	Employee benefits	1,637,715	692,815
		1,637,715	692,815
4000	**BOOKS, SUPPLIES AND EQUIPMENT**		
4000	Books and supplies	381,278	204,575
		381,278	204,575
5000	**SERVICES/OTHER OPERATING EXPENSES**		
5000	Services and other operating expenses	1,211,241	697,622
		1,211,241	697,622
6000	**CAPITAL OUTLAY**		
6200	Building and improvements of building	214,421	114,063
		214,421	114,063
	OTHER		
	Direct Payments to Providers (FCCH only)	3,775,926	1,264,865
	Depreciation or use allowance	7,204	1,436
		3,783,130	1,266,301
	Total expenditures by state categories	12,654,386	5,203,433
	Total of reimbursable and non-reimbursable expenditures	$ 12,654,386	$ 5,203,433

FACES SF
Combing Schedule of Claimed Equipment Expenditures
For the Year Ended June 30, 2025

	General Child Care CCTR-4286	Full Day Preschool CSPP-4474	Total
CDE Expenses			
Schedule of Expenditures by State Categories	$ 12,654,386	$ 5,203,433	$ 17,857,819
Adjustments			
Capitalized property and equipment expensed on AUD forms	(214,421)	(114,063)	(328,484)
Total adjustments	(214,421)	(114,063)	(328,484)
Expenses per GAAP			
Total combining statement of activities	$ 12,439,965	$ 5,089,370	$ 17,529,335

FACES SF
Notes to Child Care Supplementary Information
For the Year Ended June 30, 2025

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, 2025.

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, 2025.

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, 2025.

APPENDIX B
AUDITED FINAL ATTENDANCE AND FISCAL REPORT FORMS

AUDITED ENROLLMENT, ATTENDANCE AND FISCAL REPORT FOR CHILD CARE AND DEVELOPMENT PROGRAMS (FOR SINGLE SERVICE COUNTY)

Fiscal Year Ending* June 30, 2025
Contract Number* 4286
Vendor Code* B603

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

Section 1 - Contractor Provided Services in Only One County

- ☑ Services were provided to certified children, check this box and **include** pages 6-7.*
- ☑ Mental health consultation services were provided to certified children, check this box and **include** pages 8-9.*
- ☐ Services were provided to non-certified children, check this box and **include** pages 10-11.*
- ☑ Mental health consultation services were provided to non-certified children, check this box and **include** pages 12-13.*

Section 2 - Days of Enrollment, Attendance and Operation

	Column A Cumulative FY CDFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	29,792		29,792	51,014.9596
Total Certified Days of Enrollment with Mental Health Consultation Services	33,001		33,001	40,854.6410
Days of Attendance (including MHCS)	53,845		53,845	**N/A**
Total Non-Certified Days of Enrollment				
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	135		135	294.9000
Days of Operation*	244		244	**N/A**

*Indicates field is required.

Full Name of Contractor Faces SF (Family & Child Empowerment Services-San Francisco) **Contract Number** 4286

Section 3 - Revenue

	Column A Cumulative FY CDFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	117,130	-3,206	113,924
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 contributions	2,098,508	-523,785	1,574,723
Restricted Income - Subtotal	**2,215,638**	**-526,991**	**1,688,647**
Transfer From Reserve			
Waived Family Fees for Certified Children*			
Family Fees Collected for Certified Children	4,454		4,454
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children	26,437	-4,962	21,475
Unrestricted Income - Head Start			
Unrestricted Income - Other:			
Total Revenue (*Waived Family Fees Not Included)	**2,246,529**	**-531,953**	**1,714,576**

Comments:

Audit Report Page 42

Full Name of Contractor Faces SF (Family & Child Empowerment Services-San Francisco) **Contract Number** 4286

Section 4 - Reimbursable Expenses

	Column A Cumulative FY CDFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)	3,775,926		3,775,926
1000 Certificated Salaries	3,466,238		3,466,238
2000 Classified Salaries	1,960,363		1,960,363
3000 Employee Benefits	1,637,715		1,637,715
4000 Books and Supplies	381,278		381,278
5000 Services and Other Operating Expenses	1,452,426	-241,185	1,211,241
6100/6200 Other Approved Capital Outlay		214,421	214,421
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	7,204		7,204
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)			
Total Reimbursable Expenses	**12,681,150**	**-26,764**	**12,654,386**
Total Administrative Cost (included in Section 4 above)	0	1,525,596	1,525,596
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.

Audit Report Page 43

Full Name of Contractor Faces SF (Family & Child Empowerment Services-San Francisco) **Contract Number** 4286

Section 5 - Supplemental Revenue

	Column A Cumulative FY CDFS 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 CDFS 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** 4286

Section 7 - Summary

	Column A Cumulative FY CDFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment (including MHCS)	62,793		62,793
Days of Operation	244		244
Days of Attendance (including MHCS)	53,845		53,845
Restricted Program Income	2,215,638	-526,991	1,688,647
Transfer from Reserve			
Family Fees Collected for Certified Children	4,454		4,454
Interest Earned on Child Development Apportionment Payments			
Direct Payments to Providers	3,775,926		3,775,926
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	12,681,150	-26,764	12,654,386
Total Administrative Cost		1,525,596	1,525,596
Total Staff Training Cost			
Non-Reimbursable (State use only)	**N/A**	**N/A**	

Total Certified Adjusted Days of Enrollment (including MHCS) 91,869.6006

Total Non-Certified Adjusted Days of Enrollment (including MHCS) 294.9000

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.

Audit Report Page 45

Full Name of Contractor Faces SF (Family & Child Empowerment Services-San Francisco) **Contract Number** 4286

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

Service County:* San Francisco

	Column A Cumulative FY CDFS 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	57		57	2.8792	164.1144
Infants (up to 18 months) Full-time	6,851		6,851	2.4400	16,716.4400
Infants (up to 18 months) One-half-time	32		32	1.5338	49.0816
Toddlers (18 up to 36 months) Full-time-plus				2.1240	
Toddlers (18 up to 36 months) Full-time	16,027		16,027	1.8000	28,848.6000
Toddlers (18 up to 36 months) One-half-time	128		128	1.1315	144.8320
Three Years and Older Full-time-plus				1.1800	
Three Years and Older Full-time	399		399	1.0000	399.0000
Three Years and Older One-half-time	130		130	0.6286	81.7180
Exceptional Needs Full-time-plus				1.8172	
Exceptional Needs Full-time	278		278	1.5400	428.1200
Exceptional Needs One-half-time	266		266	0.9680	257.4880

*Indicates field is required.

Full Name of Contractor Faces SF (Family & Child Empowerment Services-San Francisco) **Contract Number** 4286

	Column A Cumulative FY CDFS 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				1.2980	
Dual Language Learner Full-time	828		828	1.1000	910.8000
Dual Language Learner One-half-time	4,796		4,796	0.6286	3,014.7656
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	**29,792**		**29,792**	**N/A**	**51,014.9596**
Days of Attendance*	**29,792**		**29,792**	**N/A**	**N/A**

If no services were provided to certified children, omit pages 6-7.

*Indicates field is required for Days of Attendance.

Full Name of Contractor Faces SF (Family & Child Empowerment Services-San Francisco) **Contract Number** 4286

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

Service County:* San Francisco

	Column A Cumulative FY CDFS 9500MHCS	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus				2.9792	
Infants (up to 18 months) Full-time	2,463		2,463	2.5400	6,256.0200
Infants (up to 18 months) One-half-time				1.6338	
Toddlers (18 up to 36 months) Full-time-plus				2.2240	
Toddlers (18 up to 36 months) Full-time	8,352		8,352	1.9000	15,868.8000
Toddlers (18 up to 36 months) One-half-time				1.2315	
Three Years and Older Full-time-plus				1.2800	
Three Years and Older Full-time	3,456		3,456	1.1000	3,801.6000
Three Years and Older One-half-time	9,611		9,611	0.7286	7,002.5746
Exceptional Needs Full-time-plus				1.9172	
Exceptional Needs Full-time	185		185	1.6400	303.4000
Exceptional Needs One-half-time	461		461	1.0680	492.3480

*Indicates field is required.

Full Name of Contractor Faces SF (Family & Child Empowerment Services-San Francisco) **Contract Number** 4286

	Column A Cumulative FY CDFS 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				1.3980	
Dual Language Learner Full-time	2,029		2,029	1.2000	2,434.8000
Dual Language Learner One-half-time	6,444		6,444	0.7286	4,695.0984
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	**33,001**		**33,001**	**N/A**	**40,854.6410**
DAYS OF ATTENDANCE*	**24,053**		**24,053**	**N/A**	**N/A**

If no mental health consultation services were provided to certified children, omit pages 8-9.

*Indicates field is required for Days of Attendance.

Full Name of Contractor Faces SF (Family & Child Empowerment Services-San Francisco) **Contract Number** 4286

CHILD CARE AND DEVELOPMENT PROGRAMS
NON-CERTIFIED CHILDREN DAYS OF ENROLLMENT

Service County:* San Francisco

	Column A Cumulative FY CDFS 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				2.8792	
Infants (up to 18 months) Full-time				2.4400	
Infants (up to 18 months) One-half-time				1.5338	
Toddlers (18 up to 36 months) Full-time-plus				2.1240	
Toddlers (18 up to 36 months) Full-time				1.8000	
Toddlers (18 up to 36 months) One-half-time				1.1315	
Three Years and Older Full-time-plus				1.1800	
Three Years and Older Full-time				1.0000	
Three Years and Older One-half-time				0.6286	
Exceptional Needs Full-time-plus				1.8172	
Exceptional Needs Full-time				1.5400	
Exceptional Needs One-half-time				0.9680	

*Indicates field is required.

Full Name of Contractor Faces SF (Family & Child Empowerment Services-San Francisco) **Contract Number** 4286

	Column A Cumulative FY CDFS 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				1.2980	
Dual Language Learner Full-time				1.1000	
Dual Language Learner One-half-time				0.6286	
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 Non-Certified Days of Enrollment				**N/A**	

If no services were provided to non-certified children, omit pages 10-11.

Full Name of Contractor Faces SF (Family & Child Empowerment Services-San Francisco) **Contract Number** 4286

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

Service County:* San Francisco

	Column A Cumulative FY CDFS 9500MHCS	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus				2.9792	
Infants (up to 18 months) Full-time	60		60	2.5400	152.4000
Infants (up to 18 months) One-half-time				1.6338	
Toddlers (18 up to 36 months) Full-time-plus				2.2240	
Toddlers (18 up to 36 months) Full-time	75		75	1.9000	142.5000
Toddlers (18 up to 36 months) One-half-time				1.2315	
Three Years and Older Full-time-plus				1.2800	
Three Years and Older Full-time				1.1000	
Three Years and Older One-half-time				0.7286	
Exceptional Needs Full-time-plus				1.9172	
Exceptional Needs Full-time				1.6400	
Exceptional Needs One-half-time				1.0680	

*Indicates field is required.

Full Name of Contractor Faces SF (Family & Child Empowerment Services-San Francisco) **Contract Number** 4286

	Column A Cumulative FY CDFS 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				1.3980	
Dual Language Learner Full-time				1.2000	
Dual Language Learner One-half-time				0.7286	
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 NON-CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES	**135**		**135**	**N/A**	**294.9000**

If no mental health consultation services were provided to non-certified children, omit pages 12-13.

Contractor Name: SF Faces

Contract Number: 4474

Fiscal Year Ended: June 30, 2025

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): **1**

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: **3**

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

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	11,539	0	11,539	18,880.0061
Total Certified Days of Enrollment with Mental Health Consultation Services	19,768	0	19,768	32,161.7172
Days of Attendance (including MHCS)	30,927	0	30,927	N/A
Total Non-Certified Days of Enrollment	166	0	166	298.8000
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000

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	244		244	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	45,618	3,207	48,825
Exceptional Needs/Severely Disabled Service Level Exemption Credit			0
County Maintenance of Effort (EC Section 8260)			0
American Rescue Plan Act (ARPA)			0
Other:	807,815	(132,933)	674,882
Other:			0
TOTAL RESTRICTED INCOME	**853,433**	**(129,726)**	**723,707**

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
Family Fees for Certified Children	3,448		3,448
Interest Earned on Apportionment Payments			0
Unrestricted Income: Fees for Non-Certified Children	10,296	(4,265)	6,031
Unrestricted Income: Head Start			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)	1,264,865		1,264,865
Direct Payments to Subcontractors: Cost of Care Plus & One-Time Allocations Only			0
1000 Certificated Salaries	1,661,377		1,661,377
2000 Classified Salaries	513,985	52,695	566,680
3000 Employee Benefits	692,815		692,815
4000 Books and Supplies	204,145	430	204,575
5000 Services and Other Operating Expenses	823,986	(126,364)	697,622
6100/6200 Other Approved Capital Outlay		114,063	114,063
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
6600 Lease Assets (used in governmental funds only)			0
Depreciation or Use Allowance	1,436		1,436
Start-up Expenses (service level exemption)			0
Indirect Costs (included in Total Administrative Cost)	0		0
TOTAL REIMBURSABLE EXPENSES	**5,162,609**	**40,824**	**5,203,433**

Section 4 - Reimbursable Expenses (cont.)

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)	0	653,826	653,826
Total Staff Training Cost (included in Reimbursable Expenses) *Total Program Closure Only (Management Bulletin 19-05)*			0
Total Exceptional Needs/Severely Disabled Service Level Exception Credit Expense (included in Reimbursable Expenses)			0

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)	31,307	0	31,307
Days of Operation	244	0	244
Days of Attendance (including MHCS)	30,927	0	30,927
Total Certified Adjusted Days of Enrollment	N/A	N/A	51,041.7233
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	298.8000
Restricted Program Income	853,433	(129,726)	723,707
Transfer from Preschool Reserve Account	0	0	0
Family Fees for Certified Children	3,448	0	3,448
Interest Earned on Apportionment Payments	0	0	0
Direct Payments to Providers	1,264,865	0	1,264,865
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	5,162,609	40,824	5,203,433
Total Administrative Cost	0	653,826	653,826
Total Staff Training Cost	0	0	0
Total Exceptional Needs/Severely Disabled Service Level Exemption Credit Expenses (included in total Reimbursable Expenses)	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: SF Faces **Contract Number: 4474**

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
Two Years Old and Three Years Old Full-time-plus			0	2.1240	0.0000
Two Years Old and Three Years Old Full-time	7,791		7,791	1.8000	14,023.8000
Two Years Old and Three Years Old Part-time	97		97	1.1315	109.7555
Four Years and Older Full-time-plus	0		0	1.1800	0.0000
Four Years and Older Full-time	240		240	1.0000	240.0000
Four Years and Older Part-time	1		1	0.6286	0.6286
Exceptional Needs Full-time-plus (Active IEP/IFSP Only)			0	2.8320	0.0000
Exceptional Needs Full-time (Active IEP/IFSP Only)	318		318	2.4000	763.2000
Exceptional Needs Part-time(Active IEP/IFSP Only)	147		147	1.5086	221.7642
Dual Language Learner Full-time-plus			0	1.4160	0.0000
Dual Language Learner Full-time	2,922		2,922	1.2000	3,506.4000
Dual Language Learner Part-time	23		23	0.6286	14.4578

Contractor Name: SF Faces **Contract Number: 4474**

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 (Active IEP/IFSP Only)			0	2.8320	0.0000
Severely Disabled Full-time (Active IEP/IFSP Only)			0	2.4000	0.0000
Severely Disabled Part-time (Active IEP/IFSP Only)			0	1.5086	0.0000
TOTAL CERTIFIED DAYS OF ENROLLMENT	**11,539**	**0**	**11,539**	N/A	**18,880.0061**

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	**11,539**		**11,539**	N/A	N/A

Enter the sum of Total Certified Days of Enrollment from all Form 1s in the Total Certified Days of Enrollment line of AUD 8501, Section 2.

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

Contractor Name: SF Faces **Contract Number: 4474**

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
Two Years Old and Three Years Old Full-time-plus			0	2.2240	0.0000
Two Years Old and Three Years Old Full-time	8,084		8,084	1.9000	15,359.6000
Two Years Old and 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	4,524		4,524	1.1000	4,976.4000
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	1,969		1,969	2.5000	4,922.5000
Exceptional Needs Part-time	502		502	1.6086	807.5172
Dual Language Learner Full-time-plus			0	1.5160	0.0000
Dual Language Learner Full-time	4,689		4,689	1.3000	6,095.7000
Dual Language Learner Part-time			0	0.7286	0.0000

Contractor Name: SF Faces **Contract Number: 4474**

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	**19,768**	**0**	**19,768**	N/A	**32,161.7172**

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	**19,388**		**19,388**	N/A	N/A

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

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

Contractor Name: SF Faces **Contract Number:** 4474

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
Two Years Old and Three Years Old Full-time-plus			0	2.1240	0.0000
Two Years Old and Three Years Old Full-time	166		166	1.8000	298.8000
Two Years Old and 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: SF Faces **Contract Number:** 4474

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	**166**	**0**	**166**	N/A	**298.8000**

Enter the sum of Total Non-Certified Days of Enrollment from all Form 3s in the Total Non-Certified Days of Enrollment line of AUD 8501, Section 2.

Contractor Name: SF Faces **Contract Number:** 4474

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
Two Years Old and Three Years Old Full-time-plus			0	2.2240	0.0000
Two Years Old and Three Years Old Full-time			0	1.9000	0.0000
Two Years Old and 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			0	1.1000	0.0000
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: SF Faces **Contract Number:** 4474

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	**0**	**0**	**0**	N/A	**0.0000**

Enter the sum of Total Non-Certified Days of Enrollment with Mental Health Consultation Services from all Form 4s in the Total Non-Certified Days of Enrollment with Mental Health Consultation Services line of AUD 8501, Section 2.