

**The Davis Street Community Center  
Incorporated and Subsidiaries  
d/b/a Davis Street**

Consolidated Financial Statements  
and Single Audit Reports and Schedules  
and State Childcare Development Reports  
June 30, 2020 and 2019



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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
The Davis Street Community Center Incorporated and  
Subsidiaries  
d/b/a Davis Street  
San Leandro, California

We have audited the accompanying consolidated financial statements of The Davis Street Community Center Incorporated and Subsidiaries d/b/a Davis Street (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Davis Street Community Center Incorporated and Subsidiaries d/b/a Davis Street as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As described in Note 19 to the financial statements, on March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is unmodified with respect to that matter.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the California Department of Education, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying supplementary information shown on pages 45 - 86 for California Department of Education is presented for purposes of additional analysis and is not a required part of the financial statements. The information on pages 29 - 30 are also presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2021, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



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

February 15, 2021

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Consolidated Statements of Financial Position  
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,595,521	\$ 153,749
Restricted cash	97,772	134,885
Patient accounts receivable, net	492,597	403,158
Government grant and contracts receivable	277,431	698,340
Contribution receivable	120,000	-
Investments	27,535	473
Prepaid expenses	35,727	27,235
Total current assets	<u>2,646,583</u>	<u>1,417,840</u>
Noncurrent assets		
Property and equipment, net	1,812,140	3,464,579
Other assets	60,165	48,135
Total noncurrent assets	<u>1,872,305</u>	<u>3,512,714</u>
Total assets	<u>\$ 4,518,888</u>	<u>\$ 4,930,554</u>

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

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Consolidated Statements of Financial Position  
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
LIABILITIES AND NET DEFICIT		
Current liabilities		
Accounts payable	\$ 786,414	\$ 761,731
Accrued expenses	333,504	225,041
CDE reserves	96,389	134,885
Deferred revenue	16,364	601
Due to funder	-	186,737
Line of credit	273,771	276,893
Refundable advances	837,649	-
Notes payable	<u>300,362</u>	<u>467,642</u>
Total current liabilities	<u>2,644,453</u>	<u>2,053,530</u>
Long-term liabilities		
Notes payable, net of current portion	-	1,046,410
Financing liability	<u>2,162,834</u>	<u>2,169,659</u>
Total long-term liabilities	<u>2,162,834</u>	<u>3,216,069</u>
Total liabilities	<u>4,807,287</u>	<u>5,269,599</u>
Net deficit		
Without donor restrictions	(778,698)	(339,045)
With donor restrictions	<u>490,299</u>	<u>-</u>
Total net deficit	<u>(288,399)</u>	<u>(339,045)</u>
Total liabilities and net deficit	<u>\$ 4,518,888</u>	<u>\$ 4,930,554</u>

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

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Consolidated Statement of Activities  
For the Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Contract revenue			
Federal and state	\$ 9,568,805	\$ -	\$ 9,568,805
County, city and regional	<u>2,015,106</u>	<u>-</u>	<u>2,015,106</u>
Total contract revenue	11,583,911	-	11,583,911
Contribution revenue	986,743	490,299	1,477,042
In-kind revenue	588,996	-	588,996
Fee for service	851,000	-	851,000
Net patient service revenue	2,132,781	-	2,132,781
Gains (losses) on disposal of assets	(197,585)	-	(197,585)
Other revenue	237,651	-	237,651
Fundraising revenue	<u>322,227</u>	<u>-</u>	<u>322,227</u>
Total revenues, gains, and other support	<u>16,505,724</u>	<u>490,299</u>	<u>16,996,023</u>
Functional expenses			
Program services			
Child care programs	8,797,943	-	8,797,943
Family support services	1,315,892	-	1,315,892
Primary care clinic	3,734,133	-	3,734,133
Employment services and other programs	1,530,884	-	1,530,884
Counseling	<u>81,048</u>	<u>-</u>	<u>81,048</u>
Total program services	<u>15,459,900</u>	<u>-</u>	<u>15,459,900</u>
Support services			
Management and general	1,199,066	-	1,199,066
Fundraising and development	<u>286,411</u>	<u>-</u>	<u>286,411</u>
Total support services	<u>1,485,477</u>	<u>-</u>	<u>1,485,477</u>
Total functional expenses	<u>16,945,377</u>	<u>-</u>	<u>16,945,377</u>
Change in net assets	(439,653)	490,299	50,646
Net deficit, beginning of year	<u>(339,045)</u>	<u>-</u>	<u>(339,045)</u>
Net assets (deficit), end of year	<u><u>\$ (778,698)</u></u>	<u><u>\$ 490,299</u></u>	<u><u>\$ (288,399)</u></u>

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



The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Consolidated Statement of Activities  
For the Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Contract revenue			
Federal and state	\$ 8,018,139	\$ -	\$ 8,018,139
County, city and regional	1,455,286	-	1,455,286
Other contract revenue	<u>1,253,245</u>	<u>-</u>	<u>1,253,245</u>
Total contract revenue	10,726,670	-	10,726,670
Contribution revenue	1,351,519	-	1,351,519
In-kind revenue	532,529	-	532,529
Fee for service	1,164,904	-	1,164,904
Net patient service revenue	2,116,490	-	2,116,490
Other revenue	100,405	-	100,405
Fundraising revenue	<u>260,156</u>	<u>-</u>	<u>260,156</u>
Total revenues, gains, and other support	<u>16,252,673</u>	<u>-</u>	<u>16,252,673</u>
Functional expenses			
Program services			
Child care programs	8,030,835	-	8,030,835
Family support services	1,109,071	-	1,109,071
Primary care clinic	4,260,323	-	4,260,323
Employment services and other programs	2,053,938	-	2,053,938
Counseling	<u>178,803</u>	<u>-</u>	<u>178,803</u>
Total program services	15,632,970	-	15,632,970
Support services			
Management and general	880,599	-	880,599
Fundraising and development	<u>279,955</u>	<u>-</u>	<u>279,955</u>
Total support services	1,160,554	-	1,160,554
Total functional expenses	<u>16,793,524</u>	<u>-</u>	<u>16,793,524</u>
Change in net assets	(540,851)	-	(540,851)
Net assets, beginning of year	<u>201,806</u>	<u>-</u>	<u>201,806</u>
Net assets (deficit), end of year	<u><u>\$ (339,045)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (339,045)</u></u>

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

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Consolidated Statement of Functional Expenses  
For the Year Ended June 30, 2020

	Child Care Programs	Family Support Services	Primary Care Clinic	Disabilities Program	Counseling	Management and General	Fundraising and Development	Total
Personnel costs								
Salaries and wages	\$ 1,641,047	\$ 167,870	\$ 2,124,463	\$ 913,506	\$ 15,195	\$ 178,423	\$ 181,447	\$ 5,221,951
Payroll taxes	124,068	14,706	164,377	72,553	1,198	14,279	14,173	405,354
Employee benefits	280,791	38,194	204,916	232,408	11,280	22,266	18,058	807,913
Total personnel costs	2,045,906	220,770	2,493,756	1,218,467	27,673	214,968	213,678	6,435,218
Provider payments	6,159,909	-	-	-	-	-	-	6,159,909
In-kind expense	-	588,996	-	-	-	-	-	588,996
Rent and occupancy	61,566	132,059	228,116	127,956	20,543	156,651	7,369	734,260
Consulting services	64,760	-	361,646	78,857	414	232,204	202	738,083
Program and clinical supplies	38,253	249,440	133,497	9,593	-	780	87	431,650
Insurance	16,917	6,466	10,771	13,823	1,190	21,706	649	71,522
Communication	113,647	31,801	281,175	16,475	22,204	69,475	15,494	550,271
Community, outreach, promotion	16,031	2,604	36,941	4,967	9	13,932	1,575	76,059
Travel, conference, trainings	7,844	570	6,353	40,979	58	18,448	148	74,400
Equipment maintenance and rental	5,325	5,096	23,122	-	-	5,874	31	39,448
Membership and dues	14,746	2,278	15,777	7,618	163	6,504	779	47,865
Office supplies	15,423	1,404	13,342	5,591	499	83,246	3,519	123,024
Other expenses	33,827	14,709	(7,403)	4,966	159	85,679	21,680	153,617
Fundraising	-	2,883	700	-	-	25	18,969	22,577
Depreciation	94,224	3,058	17,155	-	-	38,276	2,141	154,854
Provision for uncollectible accounts	179	-	30,019	-	-	152,729	-	182,927
Interest and finance charges	109,386	53,758	89,166	1,592	8,136	98,569	90	360,697
	<u>\$ 8,797,943</u>	<u>\$ 1,315,892</u>	<u>\$ 3,734,133</u>	<u>\$ 1,530,884</u>	<u>\$ 81,048</u>	<u>\$ 1,199,066</u>	<u>\$ 286,411</u>	<u>\$ 16,945,377</u>

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

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Consolidated Statement of Functional Expenses  
For the Year Ended June 30, 2019

	Child Care Programs	Family Support Services	Primary Care Clinic	Disabilities Program	Counseling	Management and General	Fundraising and Development	Total
Personnel costs								
Salaries and wages	\$ 1,634,520	\$ 167,860	\$ 2,322,537	\$ 1,315,907	\$ 95,005	\$ 230,312	\$ 160,239	\$ 5,926,380
Payroll taxes	141,677	14,108	199,388	114,584	8,614	18,381	14,413	511,165
Employee benefits	273,865	44,700	198,830	311,752	9,681	28,033	13,684	880,545
Total personnel costs	2,050,062	226,668	2,720,755	1,742,243	113,300	276,726	188,336	7,318,090
Provider payments	5,304,278	-	-	-	-	-	-	5,304,278
In-kind expense	-	532,521	-	-	-	-	-	532,521
Rent and occupancy	247,618	113,713	107,080	189,878	7,819	46,536	3,243	715,887
Consulting services	81,823	2,731	457,547	4,260	2,523	93,983	2,664	645,531
Program and clinical supplies	69,771	38,338	174,659	27,357	-	-	-	310,125
Insurance	12,610	6,082	28,712	11,835	1,034	22,444	480	83,197
Communication	110,825	16,543	227,224	12,363	34,338	92,473	14,385	508,151
Community, outreach, promotion	20,354	3,716	41,942	2,673	37	14,260	1,849	84,831
Travel, conference, trainings	16,129	2,264	13,901	45,295	67	27,656	84	105,396
Equipment maintenance and rental	6,003	4,411	42,694	766	-	2,689	216	56,779
Membership and dues	7,046	1,173	8,856	1,736	-	5,570	729	25,110
Office supplies	45,970	2,109	15,927	1,590	312	30,191	1,453	97,552
Other expenses	33,941	9,723	91,274	11,321	469	101,046	2,523	250,297
Fundraising	-	12,698	250	2,617	-	-	60,355	75,920
Depreciation	20,374	34,248	57,966	-	4,277	45,285	2,988	165,138
Provision for uncollectible accounts	-	-	115,748	-	-	-	-	115,748
Interest and finance charges	4,031	102,133	155,788	4	14,627	121,740	650	398,973
	<u>\$ 8,030,835</u>	<u>\$ 1,109,071</u>	<u>\$ 4,260,323</u>	<u>\$ 2,053,938</u>	<u>\$ 178,803</u>	<u>\$ 880,599</u>	<u>\$ 279,955</u>	<u>\$ 16,793,524</u>

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

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Consolidated Statements of Cash Flows  
For the Year Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 50,646	\$ (540,851)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	154,854	165,138
Loss on sale of property and equipment	197,585	-
Provision for uncollectible amounts	182,927	115,748
Changes in operating assets and liabilities		
Patient accounts receivable	(272,366)	(193,934)
Estimated amounts due from third-party payers	-	195,868
Grants and other receivables	420,909	48,800
Contributions receivable	(120,000)	457,838
Prepaid expenses	(8,492)	24,365
Other assets	(12,030)	(3,851)
Due to funder	(186,737)	186,737
Accounts payable and accrued expenses	133,146	(241,604)
CDE reserves	(38,496)	25,193
Deferred revenue	15,763	(69,539)
Refundable advance	<u>837,649</u>	<u>-</u>
Net cash provided by operating activities	<u>1,355,358</u>	<u>169,908</u>
Cash flows from investing activities		
Proceeds from sale of property	1,300,000	-
Sales of investments	-	116
Purchase of property and equipment	-	(18,820)
Purchases of investments	<u>(27,062)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>1,272,938</u>	<u>(18,704)</u>
Cash flows from financing activities		
Principal payments on notes payable	(2,113,690)	(845,063)
Proceeds from borrowings	900,000	-
Proceeds from line of credit	-	3,056
Repayment of line of credit	(3,122)	(20,000)
Repayment of financing liabilities	<u>(6,825)</u>	<u>(1,081)</u>
Net cash used in financing activities	<u>(1,223,637)</u>	<u>(863,088)</u>
Net increase (decrease) in cash and restricted cash	1,404,659	(711,884)
Cash and restricted cash, beginning of year	<u>288,634</u>	<u>1,000,518</u>
Cash and restricted cash, end of year	<u>\$ 1,693,293</u>	<u>\$ 288,634</u>

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

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Consolidated Statements of Cash Flows  
For the Year Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash and restricted cash consisted of the following:		
Cash and cash equivalents	\$ 1,595,521	\$ 153,749
Restricted cash	<u>97,772</u>	<u>134,885</u>
	<u>\$ 1,693,293</u>	<u>\$ 288,634</u>
Supplemental disclosure of cash flow information		
Cash paid during the year interest	\$ 360,697	\$ 422,973

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

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

1. NATURE OF OPERATIONS

The Davis Street Community Center Incorporated, d/b/a Davis Street, ("Davis Street") is a private nonprofit organization incorporated on May 22, 1990, under the laws of the State of California, for the purpose of providing outpatient primary health services to medically underserved populations and additional services including, but not limited to child care, housing assistance, food distribution and other emergency services in the Alameda County area. Davis Street derives its support through Child Care Development grants with the California Department of Education, state and local grants, private grants and contributions and through public insurance programs, such as Medi-Cal and Medicare.

During 2016, Davis Street entered into an agreement with Stepping Stones Growth Center ("Stepping Stones") in which Davis Street became the sole member of Stepping Stones. Stepping Stones is a private California nonprofit corporation that provides a continuum of programs and services of adults and children with a developmental disability including, but not limited to developing, promoting and managing services and programs to support persons with disabilities, including intake and assessment for employment, job development, personal, vocational and social adjustment tutoring, independent living services and mobility training. In January 2019, Davis Street and Stepping Stones entered into an Acquisition Agreement whereby Davis Street acquired the assets and assumed the liabilities of Stepping Stones based on the terms of the Acquisition Agreement. As part of the transaction, certain employees of Stepping Stones became employees of Davis Street.

During 2017, Davis Street created the Davis Street Foundation ("Foundation") in which Davis Street is the sole member of the Foundation. The Foundation is a nonprofit public benefit corporation whose purpose is to raise funds to support Davis Street's facilities and programs and to carry on other charitable and educational activities.

Primary Programs

- *Child Care Programs* - Davis Street offers child care services through their alternative payment programs and their center-based programs. Alternative payment program provides quality parental choice subsidized childcare to working parents. The program is a voucher subsidy program for eligible CalWorks and low-income families caring for children 0-12 years of age. Davis Street's center-based childcare program provides quality, affordable child care at four licensed sites. The program also provide children's health, medical and nutritional services and antiviolenace prevention programs.
- *Basic Needs and Family Support Services* - The family resource center programs offer help with the transition to self-sufficiency by giving families individualized and culturally competent help in critical areas. Services provided include counseling, support groups, childcare, food and clothing. There is a food pantry for emergency food assistance, education, training and employment services to assist clients become job ready and /or secure employment, and life skills workshops and classes.

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

1. NATURE OF OPERATIONS (continued)

- *Counseling Services* - Community Counseling is the mental health program of Davis Street. The counseling program has licensed psychologists, marriage and family therapists and social workers providing the therapeutic services as well as interns/trainees. The program offers individual therapy, family therapy, couples therapy and psychological assessments.
- *Primary Care Clinic* - The Davis Street Primary Care Clinic helps sick children, including those who are already clients in its childcare facilities and families in its Basic Needs program. The primary care clinic, which is directly attached to the Family Resource Center, provides another community resource for citizens needing a helping hand and is designated as a Federally Qualified Health Center (FQHC).
- *Disabilities Program* - Davis Street Disabilities Services provides support to individuals with intellectual and developmental disabilities. Services include supported employment job coaching, pre-vocational training, activity programs, and 1:1 instruction to support daily living.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The accompanying consolidated financial statements reflect the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America. Net assets are classified as either with donor restrictions or without donor restrictions, based on the existence or absence of donor-imposed restrictions. When a donor restriction expires (stipulated time restriction ends, or purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

- *Net assets without donor restrictions* - Consist of all resources available to support the operations and those resources which have become available for use in accordance with the intentions of the donor.
- *Net assets with donor restrictions* - Contributions whose use is limited in accordance with donor-imposed stipulations. These stipulations may remain in perpetuity or expire with time or may be satisfied by the actions according to the intentions of the donors. The net assets with donor restricted balance of \$490,299 at June 30, 2020 is time restricted. There are no net assets with donor restrictions at June 30, 2019.

Basis of consolidation

The consolidated financial statements include the accounts of Davis Street, Stepping Stones and the Foundation (collectively, the "Organization"). All material intercompany accounts and transactions have been eliminated in consolidation.

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

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

Cash and cash equivalents

The Organization considers all liquid investments with initial maturities of three months or less to be cash equivalents. At June 30, 2020 and 2019, cash equivalents consisted primarily of money market deposit accounts.

Restricted cash

Restricted cash includes (1) cash equivalents externally designated as a replacement reserve as a requirement of certain outstanding long-term debt, (2) assets held in reserve as a requirement of contracts with the California Department of Education and (3) assets held by trustees for unemployment claims.

Patient accounts receivable

Patient accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectability of patient accounts receivable, the Organization analyzes its collection percentages and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for uncollectible accounts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts.

For receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).



The Davis Street Community Center Incorporated and Subsidiaries  
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Notes to Consolidated Financial Statements  
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Patient accounts receivable (continued)

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a provision for uncollectible accounts in the period of services on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by the sliding fee or other policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The Organization's allowance for uncollectible accounts for self-pay patients were 100% of self-pay account receivable at June 30, 2020 and 2019. The allowance for uncollectible accounts amounted to \$433,989 and \$257,191 at June 30, 2020 and 2019, respectively. The Organization's write-offs were \$182,927 and \$115,748 for the years ended June 30, 2020 and 2019, respectively.

Property and equipment

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

The Organization capitalizes and depreciates all property and equipment in accordance with its policies and reports the transactions on the financial statements in conformity with accounting principles generally accepted in the United States of America. The Organization's capitalization threshold is \$5,000.

Depreciation and amortization of property and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and leasehold improvements	20 - 30 years
Leasehold improvements	8 - 10 years
Equipment	3 - 5 years
Furniture and fixtures	5 - 10 years

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the assets, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

The Davis Street Community Center Incorporated and Subsidiaries  
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June 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

No asset impairment was recognized during the years ended June 30, 2020 and 2019.

Net patient service revenue

The Organization has agreements with third-party payers that provide for payments to the Organization at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known.

Fee-for-service revenue

The Organization receives family fee and tuition revenue for child care services based on a set fee schedule and income guidelines. Revenue is recognized as services are provided.

Contributions and grants

Contributions and promises to give are reported as net assets without donor restrictions or net assets with donor restrictions. Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the barrier has been overcome and right of release/right of return no longer exists. Contributions that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and current aging of contributions receivable. Management did not consider an allowance for doubtful contributions to be necessary at June 30, 2020.

The Davis Street Community Center Incorporated and Subsidiaries  
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and grants (continued)

A significant portion of the Organization's revenue is derived from cost-reimbursable grants and contracts from governmental agencies, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. The revenue generated from these grants and contracts meets the criteria to be classified as conditional contributions under GAAP revenue recognition as they contain barriers related to the incurrence of qualifying expenditures and a right of return or release. Amounts received are recognized as revenues when the Organization has incurred expenditures in compliance with specific contract or grant provisions. The Organization has elected a simultaneous release option to accounts for these grants. Therefore, they are recorded as government grants without donor restriction upon satisfaction of the barriers. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. The Organization has been awarded cost-reimbursable grants and contracts of \$1,912,777 that have not been recognized at June 30, 2020 because qualifying expenditures have not yet been incurred, with an advance payment of \$16,364 recognized in the statement of financial position as deferred revenue.

In-kind contributions

In-kind contributions used in the programs administered by the Organization are recorded at fair value at the date of donation as unrestricted support and revenue unless the use of such contributed service is limited by donor-imposed restrictions. For the years ended June 30, 2020 and 2019, the Organization received in-kind contributions of \$588,996 and \$532,529, respectively.

Deferred revenue

Deferred revenue includes deposits for child care tuition fees that will be recognized over the periods to which the fees relate.

Income tax

Davis Street and Foundation are tax exempt non-for-profit corporations under the Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701. Both entities are subject to federal income tax on any unrelated business taxable income.

The Organization has evaluated its current tax positions and has concluded that as of June 30, 2020, the Organization does not have any significant uncertain tax positions for which a liability would be necessary.

The Davis Street Community Center Incorporated and Subsidiaries  
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Notes to Consolidated Financial Statements  
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foundation

The Foundation received contributions of \$350,000 for the year ended June 30, 2020. The Foundation did not receive any contributions for the year ended June 30, 2019. At June 30, 2020 and 2019, the Foundation had \$537,908 and \$- in cash, \$209,246 and \$1,256 in accounts payable, and \$328,662 and \$(1,256) in unrestricted net assets respectively.

Functional expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the combining statement of activities. Certain costs have been allocated among the programs benefited, management and general and fundraising categories based on the cost allocation plan.

Change in accounting principle

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

3. GRANT REVENUE

The Organization is the recipient of Child Care and Development grants passed through the California Department of Education (CDE) and Alameda County. The general purpose of these grants is to provide child care services in Alameda County, California, and surrounding areas. The annual grant award is on a June 30th fiscal period. The Organization received \$7,755,111 and \$6,949,972 in CDE grant funds during the years ended June 30, 2020 and 2019, respectively, of which, \$3,309,693 and \$2,492,996 were federal funding, and \$4,445,418 and \$4,456,976 were state funding, respectively. These amounts are included in contract revenue on the accompanying consolidated statements of activities.

The Davis Street Community Center Incorporated and Subsidiaries  
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Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

3. GRANT REVENUE (continued)

The Organization is a recipient of the Consolidated Health Centers (CHC) grant from the U.S. Department of Health and Human Services. The general purpose of the grant is to provide expended health care service delivery for residents of San Leandro, California, and the surrounding area. Terms of the grants generally provide for funding of the Organization's FQHC operations based on an approved budget. Grant revenue is recognized as qualifying expenditures are incurred over the grant period. During the years ended June 30, 2020 and 2019, the Organization received \$1,598,034 and \$907,148 in grant funds, respectively. The Organization's current grant award covers the grant budget period ending May 31, 2021 and is approved at \$1,046,950. Future funding will be determined by CHC based on an application submitted by the Organization prior to the expiration of the present grant budget period.

In addition, the Organization receives additional financial support from other federal, state, county and private sources. Generally, such support requires compliance with terms and conditions specified in grant agreements and must be renewed on an annual basis. Any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Organization with the terms of the grants or contracts.

4. NET PATIENT SERVICE REVENUE

The Organization recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered. The Organization incurred contractual adjustments of \$890,304 and \$1,106,846 for the years ended June 30, 2020 and 2019, respectively. For uninsured patients that do not qualify for the sliding fee program, the Organization recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Organization's uninsured patients who do not qualify for the sliding fee program will be unable or unwilling to pay for the services provided. Thus, the Organization records a provision for uncollectible accounts related to uninsured patients in the period the services are provided. This provision for uncollectible accounts is presented on the accompanying consolidated statement of activities as a component of net patient service revenue.

The Organization has agreements with third-party payers that provide for payments to the Organization at amounts different from its established rates. These payment arrangements include the following:

- *Medicare* - Covered FQHC services rendered to Medicare program beneficiaries are paid under a prospective payment system (PPS). Medicare payment, including patient coinsurance, is based on the lesser of the Organization's actual charge or the applicable PPS rate. Services not covered under the FQHC benefit are paid based on established fee schedules.

The Davis Street Community Center Incorporated and Subsidiaries  
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June 30, 2020 and 2019

4. NET PATIENT SERVICE REVENUE (continued)

- *Medi-Cal* - Covered FQHC services rendered to Medi-Cal program beneficiaries are paid based on a prospective reimbursement methodology. The Organization is reimbursed a set encounter rate for all services provided. Services not covered under the FQHC benefit are paid based on established fee schedules. The Organization is required to submit an annual Medi-Cal Reconciliation Request Form to the California Department of Health Care Services (the "Department") for purposes of determining results in the determination of any underpayment or overpayment by the Medi-Cal program for the affected visits. The Organization has recorded estimated settlements for the Medi-Cal Reconciliation Request Forms for the years ended June 30, 2020 and 2019. Such amounts are recorded on the balance sheet as estimated amounts due from third-party payers.

Laws and regulations governing the Medicare and Medi-Cal programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Organization has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates and discounts from established charges.

Patient service revenue, net of contractual allowances and discounts, recognized consisted of the following:

	<u>2020</u>	<u>2019</u>
Medi-Cal	\$ 1,663,419	\$ 1,526,774
Medicare	102,436	120,249
Private insurance	368,083	452,466
Self-pay	<u>(1,157)</u>	<u>17,001</u>
	<u><u>\$ 2,132,781</u></u>	<u><u>\$ 2,116,490</u></u>

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following:

	<u>2020</u>	<u>2019</u>
Due within one year	<u>\$ 120,000</u>	<u>\$ -</u>
	<u><u>\$ 120,000</u></u>	<u><u>\$ -</u></u>

The Davis Street Community Center Incorporated and Subsidiaries  
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5. CONTRIBUTIONS RECEIVABLE (continued)

For the years ended June 30, 2020 and 2019, no discount was applied to the contributions receivable.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2020</u>	<u>2019</u>
Land and land improvements	\$ 295,350	\$ 1,127,850
Buildings and leasehold improvements	2,266,603	3,130,103
Equipment	<u>264,513</u>	<u>264,513</u>
	2,826,466	4,522,466
Accumulated depreciation	<u>(1,014,326)</u>	<u>(1,057,887)</u>
	<u>\$ 1,812,140</u>	<u>\$ 3,464,579</u>

Depreciation expense amounted to \$154,854 and \$165,138 for the years ended June 30, 2020 and 2019, respectively.

7. LINE OF CREDIT

The Organization has a \$300,000 line of credit bearing an interest rate of 6.75% with Bank of the West. This line of credit was originally entered into between Stepping Stones and Bank of the West. As part of the dissolution of Stepping Stones, commitments related to the line of credit was transferred to the Organization.

At June 30, 2020 and 2019, there were \$273,771 and \$276,893 borrowed against the lines, respectively. The lines were collateralized by the Organization's assets. Interest varied based on the bank's prime rate and was payable monthly.

8. NOTES PAYABLE

Notes payable are detailed as follows:

	<u>2020</u>	<u>2019</u>
Note payable to Wells Fargo Bank due in monthly installments of \$6,315 beginning in July 2014 with final payment of outstanding principal and interest in June 2024. The note bore interest rate at 4.90% and was secured by a property. The note was fully paid off during the year ended June 30, 2020.	\$ -	\$ 593,499

The Davis Street Community Center Incorporated and Subsidiaries  
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8. NOTES PAYABLE (continued)

	<u>2020</u>	<u>2019</u>
Note payable to Fremont Bank due in variable installments was renewed in March 2020 with principal and interest payments beginning in March 2020 with final payment of outstanding principal and interest in March 2021. The note bears interest rate at 7.50% and is secured by the Davis Street's assets.	-	420,553
Note payable due to a private party in a monthly interest-only payment of \$3,333 beginning in March 2016 with final payment of outstanding principal and interest in February 2026. The note bore interest at 8.00% and was secured by a property. The note was fully paid off during the year ended June 30, 2020.	-	<u>500,000</u>
	-	1,514,052
Current portion	<u>(300,362)</u>	<u>(467,642)</u>
	<u>\$ (300,362)</u>	<u>\$ 1,046,410</u>

The future maturities of the notes payable are as follows:

Year ending June 30,

2021	<u>\$ 300,362</u>
	<u>\$ 300,362</u>

9. ACCRUED VACATION

Accumulated unpaid employee vacation benefits for regular full-time and part-time employees are recognized as accrued liabilities for the Organization. The value of accumulated unpaid vacation at June 30, 2020 and 2019 were \$153,940 and \$157,081, respectively.

10. MEDICAL MALPRACTICE CLAIMS

The Organization purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Under such policy, only claims made and reported to the insurer during the policy term, regardless of when the incidents giving rise to the claims occurred are covered.



The Davis Street Community Center Incorporated and Subsidiaries  
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10. MEDICAL MALPRACTICE CLAIMS (continued)

Claim liabilities are to be determined without consideration of insurance recoveries. Expected recoveries are presented separately. Based upon the Organization's claim experience, no accrual has been made for the Organization's medical malpractice costs for the years ended June 30, 2020 and 2019. However, because of the risk in providing health care services, it is possible that an event has occurred which would become the basis of a future material claim.

11. COMMITMENTS AND CONTINGENCIES

The Organization has noncancellable operating leases that expire in various years through 2038. Rental expense for the years ended June 30, 2020 and 2019 was \$734,260 and \$715,887 respectively.

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

Year ending June 30,

2021	\$ 503,401
2022	507,594
2023	512,056
2024	489,872
2025	417,780
Thereafter	<u>3,410,376</u>
	<u><u>\$ 5,841,079</u></u>

Medicare/Medi-Cal

Laws and regulations governing the Medicare and Medi-Cal/Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Organization believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medi-Cal/Medicaid programs.

Governmental funding for healthcare programs is subject to statutory and regulatory changes, administrative rulings, interpretations of policy, intermediary determinations, and governmental funding restrictions, all of which may materially affect program reimbursement to healthcare facilities. Changes in the reimbursement policies of the Medicare and Medicaid programs, as a result of legislative and regulatory actions, could adversely affect the Organization's revenue.

The Davis Street Community Center Incorporated and Subsidiaries  
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June 30, 2020 and 2019

11. COMMITMENTS AND CONTINGENCIES (continued)

Laws and regulations

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers.

Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. The Organization believes that it is in compliance with the fraud and abuse regulations as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Legal matters

In the normal course of business, the Organization is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Organization's commercial insurance, which may include but not limited to allegations regarding employment practices or performance of contracts. The Organization evaluated such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

12. OPERATIONS AND MANAGEMENT PLANS

During the year ended June 30, 2020, the Organization incurred a decrease in net assets without donor restrictions of \$439,653 and as of June 30, 2020, the Organization's net assets are in a deficit position of \$288,399. These results are primarily attributed to the initial and ongoing costs to establish and operate the Organization's primary care clinic.

The Davis Street Community Center Incorporated and Subsidiaries  
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June 30, 2020 and 2019

12. OPERATIONS AND MANAGEMENT PLANS (continued)

The Organization has taken and continues to take steps to improve the financial results of the primary care clinic including the receipt of a Consolidated Health Centers grant award, obtaining FQHC status and ongoing efforts to increase patient volume. The Organization also entered into an agreement to outsource billings, collections, enrollment and credentialing to a third party company specializing in revenue cycle management services for the medical practice community. The third party company has been successful in improving the Organization's billing and collection process. The Organization has also hired a full time Development Director whose sole purpose is to raise unrestricted dollars and to lead a capital campaign. The Organization is optimistic that fundraising efforts will be successful. The Organization also has committed lines of credit which it could draw upon in the event of an unanticipated liquidity need.

Management has a reasonable expectation that the Organization has adequate resources to continue in operational existence for the foreseeable future. If for any reason the Organization is unable to continue as a going concern, it could have an impact on the Organization's ability to realize assets at their recognized values and to settle liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

13. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	<u>2020</u>	<u>2019</u>
Foundation growth fund	\$ 250,000	\$ -
Holiday appeals	120,299	-
Time restricted	<u>120,000</u>	<u>-</u>
	<u>\$ 490,299</u>	<u>\$ -</u>

14. PENSION PLAN

The Organization has adopted an Internal Revenue Code Section 403(b) defined contribution plan covering substantially all employees. The Organization provides a matching contribution equal to 100% of each participant's eligible contribution that does not exceed 3% of compensation. The employer contribution for the years ended June 30, 2020 and 2019 were \$34,028 and \$44,287, respectively.

15. FUNCTIONAL EXPENSE ALLOCATION PLAN

The Organization updates its functional expense allocation plan annually and obtains approval from its Board of Directors. The Organization allocates its expenses based on the relative benefits received by the programs or activities. Accordingly, the Organization applies several methods for allocating expenses as follows:

The Davis Street Community Center Incorporated and Subsidiaries  
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Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

15. FUNCTIONAL EXPENSE ALLOCATION PLAN (continued)

Direct expenses

Expenses identified 100 percent to a specific program are charged directly to that program.

Shared direct expenses

- Payroll expenses are allocated to programs based on percentages determined using the prior year's actual time. Monthly (no less frequent than quarterly), the Organization compares actual time spent by employees in each program from individual timesheets to the percentages used with expense allocation. At year end, a final adjustment is made to record the payroll expense allocation to percentages of actual time spent based on timesheet reports.
- Rent and associated utilities, maintenance and insurance are allocated using the square footage of building space occupied by each program, according to floor plans and/or room measurements.
- Office expenses such as supplies, telephone and postage for the Teagarden facility are allocated based on the percentage of full time equivalents (FTEs) devoted to each department.

Indirect expenses

Expenses that benefit the operations of the entire organization, which cannot be identified to specific programs or activities, are allocated according to an indirect expense allocation plan.

16. RESERVE ACCOUNT

Child development contractors with the California Department of Education (CDE) are allowed, with prior CDE approval, to maintain a reserve account from earned but unexpended child development contract funds for three types of programs: Center Based, Resource and Referral and Alternative Payment. Transfers from a reserve account are considered restricted income for child development programs, but may be applied to any of the contracts that are eligible to contribute to that particular program type.

The Organization maintains a reserve account for Center Based contract and funds are deposited into an interest-bearing account. The reserve amount at June 30, 2020 and 2019 were \$96,389 and \$134,885, respectively. Upon the termination of all child development Center Based contract with CDE, the Organization would have to return the reserve funds to CDE.

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17. SALE AND LEASEBACK

In April 2018, the Organization entered into an agreement to sell its property located at 3081 Teagarden Street, San Leandro, California for \$3,300,000. A portion of the proceeds from the sale were used to pay off outstanding debt on the property, which amounted to \$2,595,386. Subsequent to the sale of the property, the Organization entered into an agreement with the buyer to lease back 65.78% of the property for a term of 20 years. The agreement also provides the Organization with an option to buy back the portion of the property that the Organization is leasing back (65.78% of the total property sold). The buy back option must be exercised between the 37th and 49th month from when the property was sold.

Due to the existence of the repurchase option, the Organization is deemed to have continuing involvement in the property, and therefore the transaction cannot be accounted for as a sale under sale-leaseback accounting. The Organization has accounted for the transaction as a financing and has a financing liability of \$2,162,834 at June 30, 2020. Lease payments less a portion considered to be interest expense are accounted for as a reduction of the financing liability.

18. LIQUIDITY

As of June 30, 2020, the following is a quantitative disclosure which describes the Organization's assets that are available or expected to be available within one year to meet cash needs for general expenditures and other obligations as they become due:

Financial assets	
Cash and cash equivalents	\$ 1,595,521
Patient accounts receivable, net	492,597
Government grant and contracts receivable	277,431
Contribution receivable	120,000
Investments	<u>27,535</u>
	<u>2,513,084</u>
Less amounts unavailable for general expenditures within one year	
Net assets with donor restrictions	<u>(370,299)</u>
	<u>(370,299)</u>
	<u>\$ 2,142,785</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Based on the average monthly cash expenses incurred during the year ended June 30, 2020, the Organization has financial assets available to cover approximately 1.7 months of general expenditures.

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19. RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared a novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders, including California, where the Organization is headquartered. In response, the U.S. Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which includes significant provisions to provide relief and assistance to affected organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders and the ultimate impact of the CARES Act and other governmental initiatives. It is at least reasonably possible that this matter will negatively impact the Organization curtailing the ability to perform in person services required for its operations. However, the financial impact and duration cannot be reasonably estimated at this time.

20. PAYCHECK PROTECTION PROGRAM LOAN

On April 30, 2020, the Organization received loan proceeds of \$1,000,000 from a promissory note issued by Fremont Bank, under the Paycheck Protection Program ("PPP") which was established under the CARES Act and is administered by the U.S. Small Business Administration ("SBA"). The term on the loan is two years and the annual interest rate is 1.00%. Payments of principal and interest are deferred for the first six months of the loan. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loans granted under PPP. Such forgiveness will be determined based on the use of the loan proceeds for payroll costs, rent and utility expenses and the maintenance of workforce and compensation levels with certain limitations. The Organization has initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization recognized conditional grant revenue of \$162,351 for the year ended June 30, 2020 based on qualifying expenditures made under the PPP that are expected to be forgiven. The remaining portion of \$837,649 is presented on the consolidated statement of financial position as a refundable advance as of June 30, 2020. The guidelines issued by the SBA, in consultation with the Department of the Treasury, have been followed by the Organization yet still no assurances of full forgiveness can be granted until the forgiveness application process is complete.

21. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 15, 2021, the date the consolidated financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Organization's consolidated financial statements.

## SUPPLEMENTARY INFORMATION

The Davis Street Community Center Incorporated and Subsidiaries  
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Schedule of Alameda County Awards  
For The Year Ended June 30, 2020

<u>Program Name</u>	<u>Contract Number</u>	<u>Exhibit Number</u>	<u>Contract Period</u>	<u>Contract Amount</u>	<u>Contract Earnings</u>
Children and Family Services - CalWorks	900086	18740	7/1/19-6/30/20	\$ 139,650	\$ 135,919
Employment Services Department - CBO	900086	N/A	7/1/19-6/30/20	\$ 128,358	\$ 128,358
Community Food Bank (In-Kind)	A1087	N/A	7/1/19-6/30/20	\$ 396,972	\$ 396,972
First 5	PI-ECE-1820-224	N/A	7/1/18-6/30/20	\$ 20,000	\$ 11,325
HealthPAC	900086	18582	7/1/19-6/30/20	\$ 294,977	\$ 299,975



The Davis Street Community Center Incorporated and Subsidiaries  
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Schedule of Expenditures for County of Alameda Awards  
For The Year Ended June 30, 2020

Program Name Contract Number Contract Period	Children and Family Services - Calworks 18740 7/1/19-6/30/20	Employment Services Department - CBO 7/1/19-6/30/20	First 5 PI-ECE-1820- 224 7/1/18-6/30/20	HealthPAC 18582 7/1/19-6/30/20
Contract amount	\$ 139,650	\$ 128,358	\$ 20,000	\$ 294,977
Expenses				
Provider payments	\$ 111,480	\$ -	\$ -	\$ -
Salaries	12,042	37,224	5,148	194,685
Payroll taxes	3,397	14,119	444	23,598
Employee benefits	-	25,672	1,068	38,347
Books and supplies	-	-	8,406	23,598
Contract services and other expenses				
Professional and outside services	-	-	-	-
Rent and occupancy	9,000	35,940	2,604	-
Travel and trainings	-	-	1,970	7,374
Interest and finance charges	-	2,567	-	-
Other charges	-	-	360	7,375
Insurance	-	-	-	-
Communication	-	12,836	-	-
Depreciation	-	-	-	-
Equipment and capital improvements	-	-	-	-
Total expenses	\$ 135,919	\$ 128,358	\$ 20,000	\$ 294,977
Amount reimbursed by county	\$ 135,919	\$ 128,358	\$ 11,325	\$ 299,975
Revenue excess (deficit)	\$ 3,731	\$ -	\$ 8,675	\$ (4,998)

## SINGLE AUDIT REPORTS AND SCHEDULES

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

Board of Directors  
The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
San Leandro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The Davis Street Community Center Incorporated and Subsidiaries d/b/a Davis Street (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 15, 2021.

### Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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.

We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-01 and 2020-02 that we consider to be material weaknesses .

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

## **The Organization's Response to Findings**

The Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

A handwritten signature in black ink that reads "Armanino LLP". The signature is fluid and cursive, with the letters "Armanino" written in a larger, more prominent script than the "LLP" which follows.

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

February 15, 2021

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

Board of Directors  
The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
San Leandro, California

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

We have audited The Davis Street Community Center Incorporated and Subsidiaries d/b/a Davis Street (the "Organization")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

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

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-003. Our opinion on each major federal program is not modified with respect to these matters.

The Organization's response to the noncompliance findings identified in our audit are described in the accompanying schedules of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

We identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-003, that we consider to be a material weakness.

The Organization's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

February 15, 2021

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Total State Expenditures
<u>Expenditures of Federal and State Awards</u>				
U.S. Department of Health and Human Services				
Child Care and Development Block Grant				
Pass-through programs from California Department of Education				
Alternative Payment - Stage 2	93.575	C2AP-9004	\$ 242,809	\$ 1,057,479
Alternative Payment - Stage 3	93.575	C3AP-9004	1,809,225	1,653,835
Alternative Payment	93.575	CAPP-9005	206,575	-
General Child Care	93.575	CCTR-9013	17,409	103,853
State Preschool	93.575	CSPP-9029	-	609,761
Total Child Care and Development Block Grant			<u>2,276,018</u>	<u>3,424,928</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund				
Pass-through programs from California Department of Education				
Alternative Payment	93.596	CAPP-9005	658,443	957,968
Alternative Payment - Stage 3	93.596	C3AP-9004	263,966	-
General Child Care	93.596	CCTR-9013	37,870	-
			<u>960,279</u>	<u>957,968</u>
Pass-through programs from Alameda County:				
CalWorks Alternative Payment Stage 2 Child Care Services	93.596	900086	73,396	62,523
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			<u>1,033,675</u>	<u>1,020,491</u>
Grants for New and Expanded Services Under the Health Center Program				
Pass-through program from Alameda County:				
Health Resources and Services Administration	93.527	H80CS28979	1,422,444	-
Health Resources and Services Administration - COVID-19	93.224	H8CCS34045	52,708	-
Health Resources and Services Administration - COVID-19	93.224	H8DCS35786	122,126	-
Total Grants for New and Expanded Services Under the Health Center Program			<u>1,597,278</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>4,906,971</u>	<u>4,445,419</u>

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

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Total State Expenditures
U.S. Department of Housing and Urban Development Community Development Block Grants/ Entitlement Grants Pass-through programs from City of San Leandro:				
Basic Needs	14.218	N/A	21,324	-
Total U.S. Department of Housing and Urban Development			21,324	-
U.S. Department of Agriculture Child and Adult Care Food Program Pass-through program from California Department of Education:				
Child Care Food Program	10.558	01-2286-2A	36,909	-
Total Child and Adult Care Food Program			36,909	-
Emergency Food Assistance Program Pass-through program from Alameda County:				
Food Bank - USDA Commodities	10.569	A1087	112,654	-
Total Emergency Food Assistance Program			112,654	-
Total U.S. Department of Agriculture			149,563	-
U.S. Department of Homeland Security Emergency Food and Shelter National Board Program Pass-through program from Alameda County:				
Emergency Food and Shelter Program	97.024	063400-014	12,000	-
Total U.S. Department of Homeland Security			12,000	-
Total Expenditures of Federal and State Awards			\$ 5,089,858	\$ 4,445,419

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



The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Notes to Schedule of Expenditures of Federal and State Awards  
June 30, 2020

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of The Davis Street Community Center Incorporated and Subsidiaries d/b/a Davis Street (the "Organization") under programs of the federal government and the State of California for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the California Department of Education (CDE) Audit Guide. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the CDE Audit Guide, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. LOANS

The Organization did not have any federal loan programs during the year ended June 30, 2020.

4. INDIRECT COSTS

The Organization has elected to not use the 10% de minimis indirect cost rate for federal awards.

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	Yes
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)?	Yes
Identification of major programs:	
<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Child Care and Development Block Grant Cluster	93.575 and 93.596
Health Center Program Cluster	93.224 and 93.527
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

**Finding number: 2020-001**

Criteria:	In accordance with 2 CFR 200.302(b), the financial management system of an entity must provide for “accurate, current, and complete disclosure of the financial results of each Federal award or program,” and “records that identify adequately the source and application of funds for federally-funded activities,” and also “these records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.”
Condition:	The original general ledger support for the Health Resources and Servicers Administration (HRSA) program reported revenues in excess of expenditures by approximately \$830,000 for the year ended June 30, 2020. The surplus of revenues over expenses was due in part to the fact that the revenues were reported based on cash draws made during the year and costs were not properly allocated between the Organization’s various grants and contracts. The Organization performed further analysis and identified additional costs that were incurred for the HRSA program during the year and adjustments were made to reallocate the costs to the HRSA program.
Cause:	The Organization does not have an adequate process in place to timely and accurately allocate costs between grants and contracts. The Organization also experienced significant turnover in the accounting and finance department, which contributed to the matter.
Effect or potential effect:	The Organization does not have an adequate process in place to timely and accurately allocate costs between grants and contracts. The Organization also experienced significant turnover in the accounting and finance department, which contributed to the matter.
Recommendation:	We recommend that the Organization implement a policy or procedure whereby costs are accurately and timely allocated to grants and contracts. The Organization should review program P/L statements and the allocation of costs on a monthly basis to identify any irregularities or instances that may indicate the revenues and expenditures associated with its grants and contracts may not have been properly reported.
View of responsible officials:	Management agrees with the finding and will implement processes and procedures to ensure the accurate and timely allocation of costs to its grants and contracts.

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The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS (continued)

<b>Finding number:</b>	<b>2020-002</b>
Criteria:	The PPS reconciliation needs to be completed on an annual basis and in a timely manner in order to accurately and timely reconcile the final payment to the clinic based on actual data.
Condition:	The Organization did not timely complete its PPS reconciliation. The PPS reconciliation for the years ended June 30, 2019 and 2020 was completed in January 2021. An adjustment of \$215,000 was recorded by the Organization to increase receivables and revenues.
Cause:	The Organization's clinic is still a relatively new operation and the Clinic is in the process of establishing and formalizing policies and procedures surrounding the financial administration of the clinic. The Organization also experienced significant turnover in the accounting and finance department, which contributed to the matter.
Effect or potential effect:	The Organization may not have accurate data surrounding the clinic's financial performance. Also, late submissions of PPS reconciliations may not be accepted.
Recommendation:	We recommend that the Organization implement a policy or procedure whereby PPS reconciliations are timely prepared and submitted on an annual basis.
Views of responsible officials:	Management agrees with the finding and will implement processes and procedures to ensure PPS reconciliations are timely prepared and submitted on an annual basis. The Organization also entered into an agreement to outsource billings, collections, enrollment and credentialing to a third party company specializing in revenue cycle management services for the medical practice community.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

<b>Finding number:</b>	<b>2020-003</b>
CFDA number:	93.224
CFDA title:	Health Center Program Cluster
Federal award identification number and year:	H8CCS34045/ H8DCS35786/ H8ECS38205 2020
Name of federal agency:	Department of Health and Human Services
Name of pass-through entity:	Alameda County

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS **(continued)**

Repeat finding:	Yes
Criteria:	In accordance with 42 USC 254(k)(3)(E), (F), and (G); 42 CFR sections 51c.303(e), (f), and (g); and 42 CFR sections 56.303(e), (f), and (g), health centers must prepare and apply a sliding fee discount schedule (SFDS) so that the amounts owed for health center services by eligible patients are adjusted (discounted) based on the patient's ability to pay.
Condition:	During our testing, we identified various instances in which patients were assessed an inappropriate sliding fee. We identified three instances in which the appropriate sliding fee discount was not applied to the patient's bill. The sampling methodology used is not intended to be statistically valid.
Cause:	The Organization did not comply with the sliding fee policy. This is due in part to turnover on personnel.
Possible effect:	Improper sliding fees were assessed.
Questioned cost:	None.
Recommendation:	We recommend that the Organization provide sufficient training to all staff involved in administering the sliding fees. Procedures should be implemented to ensure that eligible patients receive discounts in accordance with the slide fee scale.
Views of responsible officials:	Management concurs with the finding and will continue to ensure all staff receive training on the policies and procedures related to the sliding fee scale.

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2020

**Finding number:** 2019-001

Fiscal Year in Which Finding  
Initially Occurred: 2019

Condition: A reconciliation of the patient accounts receivable is not maintained and detail of the patient accounts receivable account at a point in time can not be provided.

Status: Corrective action was taken.

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**Finding number:** 2019-002

Fiscal Year in Which Finding  
Initially Occurred: 2017

Condition: Patients were not given or were inappropriately given sliding fee discounts under the Organization's policy and proper support could not be provided for all sliding fee discounts given.

Status: Audit finding was not corrected. Employee turnover has continued to contribute to this matter. We will continue with the training and monitoring of our sliding fee process and files. We will also conduct an audit of all of our sliding fee transactions during this fiscal year.

SUPPORTING SCHEDULES REQUIRED BY THE CALIFORNIA DEPARTMENT OF EDUCATION

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
General Information  
For the Year Ended June 30, 2020 and 2019

Center Name	The Davis Street Community Center Incorporated
Contract Numbers	CAPP-9005 C2AP-9004 C3AP-9004 CCTR-9013 CSPP-9029
Project Number	01-U243-00-8
Type of Agency	Private Nonprofit Corporation
Address	3081 Teagarden Street San Leandro, California 94577
Name of Executive Director	Rose Padilla Johnson
Telephone Number	510-347-4620
Audit Period	July 1, 2019 through June 30, 2020
Number of Operations Days of Agency	CCTR, CSPP - 249 CAPP, C2AP, C3AP - 251
Scheduled Daily Hours of Operation	Monday - Thursday: 8:00 am to 8:00 pm Friday: 8:00 am to 6:00 pm



The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Combining Schedules - Statement of Activities Information (Davis Street)  
For the Year Ended June 30, 2020

	Child Care Programs	Family Support Services	Primary Care Clinic	Counseling Program	Disabilities Program	Management and General	Fundraising and Development	Total
Revenue and support								
Federal & state contracts	\$ 7,651,891	\$ 12,000	\$ -	\$ -	\$ 1,326,506	\$ -	\$ -	\$ 8,990,397
County, city, and local contracts	149,936	239,318	228,754	250	-	-	5,715	623,973
Earned revenue-fee per service	851,000	-	-	-	-	-	-	851,000
Patient services	-	-	2,265,402	-	-	1,321	-	2,266,723
Contributions	-	305,710	45,000	50,000	7,788	157,349	561,195	1,127,042
Federal, state & local grants	-	-	1,875,127	-	-	2,100	-	1,877,227
Fundraising and events	-	2,500	-	-	685	10,000	306,942	320,127
In-kind contributions and donated assets	-	588,996	-	-	-	-	-	588,996
Other income	545	11,479	83,556	-	1,678	208,845	-	306,103
Revenue and support	<u>8,653,373</u>	<u>1,160,003</u>	<u>4,497,840</u>	<u>50,250</u>	<u>1,336,657</u>	<u>379,614</u>	<u>873,852</u>	<u>16,951,589</u>
Expenses								
Personnel costs	2,051,063	221,222	2,498,262	27,831	1,222,171	237,118	214,054	451,172
Childcare provider payments	6,158,076	-	-	-	-	-	-	-
Occupancy	179,943	102,719	181,115	23,739	124,260	117,312	5,170	122,483
Outside services	64,760	-	369,412	414	78,857	232,204	199	232,403
Program and clinical supplies	38,253	261,353	133,497	-	9,680	780	87	867
Insurance	16,917	6,466	10,771	1,190	13,823	21,706	648	22,354
Telecommunications and technology	113,647	31,800	260,074	43,305	16,475	69,475	15,495	84,970
Outreach, awareness, education & marketing	16,031	2,604	36,941	9	4,967	13,875	1,575	15,450
Board & staff development, education & training	7,844	570	6,353	58	40,979	18,448	147	18,595
Office supplies, equipment & fixtures	25,556	8,682	37,178	499	5,595	91,987	5,461	97,448
Membership, affiliation, licensure & fees	16,161	2,278	18,627	163	8,595	18,953	1,451	20,404
Special events and fundraising	-	2,881	700	-	-	25	18,971	18,996
Depreciation and amortization	28,370	19,644	39,426	1,425	2,089	60,514	3,385	63,900
Interest, financing, and bank fees	32,939	76,549	115,570	12,483	5,394	151,787	2,227	154,014
In-kind/donation expenses	-	588,996	-	-	-	-	-	-
Other expense	5,758	-	(23,243)	-	-	211,277	-	211,277
Joint cost-A&G allocation	-	-	-	-	-	-	-	-
Total expenses	<u>8,755,317</u>	<u>1,325,762</u>	<u>3,684,683</u>	<u>111,116</u>	<u>1,532,887</u>	<u>1,245,461</u>	<u>268,871</u>	<u>1,514,333</u>
Non-operating								
Extra ordinary gains (losses)	-	-	-	-	-	(197,585)	-	(197,585)
Total non-operating items	-	-	-	-	-	(197,585)	-	(197,585)
Change in net assets	<u>\$ (101,945)</u>	<u>\$ (165,759)</u>	<u>\$ 813,158</u>	<u>\$ (60,866)</u>	<u>\$ (196,230)</u>	<u>\$ (1,063,432)</u>	<u>\$ 604,980</u>	<u>\$ 15,239,671</u>

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Combining Schedules - Statement of Activities Information (Davis Street)  
For the Year Ended June 30, 2020

	CAPP-9005	C2AP-9004	C3AP-9004	CCTR-9013	CSPP-9029	Children and Adult Care Food Program - CACFP	CalWORKS	First 5 Alameda County	Private Pay	Total
Revenue and support										
Federal & state contracts	\$ 1,822,986	\$ 1,300,288	\$ 3,727,026	\$ 164,109	\$ 636,912	\$ -	\$ -	\$ -	\$ 570	\$ 7,651,891
County, city, and local contracts	-	-	-	2,694	-	-	135,918	11,325	-	149,936
Earned revenue-fee per service	43,369	18,713	123,917	6,690	-	-	-	-	658,856	851,545
Revenue and support	<u>1,866,355</u>	<u>1,319,001</u>	<u>3,850,943</u>	<u>173,493</u>	<u>636,912</u>	<u>-</u>	<u>135,918</u>	<u>11,325</u>	<u>659,427</u>	<u>8,653,373</u>
Expenses										
Personnel costs	224,168	145,853	450,685	154,511	470,048	66,789	15,439	4,995	518,574	2,051,063
Childcare provider payments	1,585,009	1,105,912	3,355,674	-	-	-	111,480	-	-	6,158,076
Occupancy	4,829	15,514	29,128	1,439	67,051	-	9,000	1,477	51,506	179,944
Outside services	11,996	13,349	21,574	-	143	-	-	-	17,697	64,760
Program and clinical supplies	313	348	699	1,015	4,541	14,678	-	3,152	13,507	38,253
Insurance	949	1,068	1,717	-	4,416	289	-	-	8,478	16,917
Telecommunications and technology	14,134	16,586	31,604	7,220	17,267	-	-	-	26,835	113,647
Outreach, awareness, education & marketing	3,121	1,983	2,978	810	4,547	-	-	310	2,282	16,031
Board & staff development, education &	1,694	1,303	2,072	-	355	317	-	1,390	714	7,844
Office supplies, equipment & fixtures	5,827	6,290	10,460	121	135	-	-	-	2,723	25,556
Membership, affiliation, licensure & fees	3,029	3,324	5,455	484	1,155	-	-	-	2,714	16,161
Depreciation and amortization	4,368	3,756	3,860	3,228	6,059	-	-	-	7,099	28,370
Interest, financing, and bank fees	5,899	5,886	8,217	236	1,545	-	-	-	11,156	32,939
Other expense	-	-	-	-	-	-	-	-	5,758	5,758
Total expenses	<u>1,865,338</u>	<u>1,321,172</u>	<u>3,924,123</u>	<u>169,064</u>	<u>577,262</u>	<u>82,073</u>	<u>135,919</u>	<u>11,325</u>	<u>669,042</u>	<u>8,755,318</u>
Change in net assets	<u>\$ 1,018</u>	<u>\$ (2,172)</u>	<u>\$ (73,181)</u>	<u>\$ 4,429</u>	<u>\$ 59,650</u>	<u>\$ (82,073)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (9,616)</u>	<u>\$ (101,945)</u>

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Combining Schedules - Statement of Activities Information (Davis Street)  
For the Year Ended June 30, 2020

	Admin & General	United Way - FEMA	Alameda Co Comm Food Bank	Alameda Co-CBO Basic Needs	City of San Leandro- CDBG Basic Needs	City of San Leandro- Affordable Housing	City of San Leandro- Community Investment Program	Sutter Health Clinics	Holiday appeals	Back-to- school	Covid-19 Grant/Dona tions	Community Assistance Grant	Total
Revenue and support													
Federal & state contracts	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000
County, city, and local contracts	50,767	-	3,018	117,160	8,127	12,746	47,500	-	-	-	-	-	239,318
Contributions	71,453	-	-	-	-	-	-	50,000	25,000	-	149,257	10,000	305,710
Fundraising and events	-	-	-	-	-	-	-	-	2,500	-	-	-	2,500
In-kind contributions and donated assets	-	-	-	-	-	-	-	-	588,996	-	-	-	588,996
Other income	11,479	-	-	-	-	-	-	-	-	-	-	-	11,479
Total revenue and support	<u>133,699</u>	<u>12,000</u>	<u>3,018</u>	<u>117,160</u>	<u>8,127</u>	<u>12,746</u>	<u>47,500</u>	<u>50,000</u>	<u>616,496</u>	<u>-</u>	<u>149,257</u>	<u>10,000</u>	<u>1,160,003</u>
Expenses													
Personnel costs	143,965	-	-	50,474	20,482	6,300	-	-	-	-	-	-	221,222
Occupancy	80,490	-	-	21,700	-	-	529	-	-	-	-	-	102,719
Program and clinical supplies	50,403	12,000	-	-	-	-	24,311	-	72,221	26,456	-	75,961	261,353
Insurance	6,466	-	-	-	-	-	-	-	-	-	-	-	6,466
Telecommunications and technology	24,800	-	-	7,000	-	-	-	-	-	-	-	-	31,800
Outreach, awareness, education & marketing	2,604	-	-	-	-	-	-	-	-	-	-	-	2,604
Board & staff development, education & training	570	-	-	-	-	-	-	-	-	-	-	-	570
Office supplies, equipment & fixtures	4,690	-	-	-	842	-	1,010	-	2,140	-	-	-	8,682
Membership, affiliation, licensure & fees	2,128	-	-	-	-	-	-	-	150	-	-	-	2,278
Special events and fundraising	-	-	-	-	-	-	-	-	2,881	-	-	-	2,881
Depreciation and amortization	19,644	-	-	-	-	-	-	-	-	-	-	-	19,644
Interest, financing, and bank fees	76,549	-	-	-	-	-	-	-	-	-	-	-	76,549
In-kind/donation expenses	-	-	-	-	-	-	-	-	588,996	-	-	-	588,996
Total expenses	<u>412,308</u>	<u>12,000</u>	<u>-</u>	<u>79,174</u>	<u>21,324</u>	<u>6,300</u>	<u>25,850</u>	<u>-</u>	<u>666,388</u>	<u>26,456</u>	<u>-</u>	<u>75,961</u>	<u>1,325,762</u>
Change in net assets	<u>\$(278,609)</u>	<u>\$ -</u>	<u>\$ 3,018</u>	<u>\$ 37,986</u>	<u>\$ (13,197)</u>	<u>\$ 6,446</u>	<u>\$ 21,650</u>	<u>\$ 50,000</u>	<u>\$ (49,892)</u>	<u>\$ (26,456)</u>	<u>\$ 149,257</u>	<u>\$ (65,961)</u>	<u>\$ (165,759)</u>

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Combining Schedules - Statement of Activities Information (Davis Street)  
For the Year Ended June 30, 2020

	Clinic Operations Administration	Behavioral Health	Medical Services	Optometry Care Services	Dental Care Services	Total
Revenue and support						
County, city, and local contracts	\$ (21,246)	\$ -	\$ 250,000	\$ -	\$ -	\$ 228,754
Patient services	-	215,212	1,340,545	32,890	676,756	2,265,402
Contributions	-	-	-	-	45,000	45,000
Federal, state & local grants	69,162	559,674	1,068,750	-	177,542	1,875,127
Other income	-	(1,282)	84,823	-	15	83,556
Total revenue and support	<u>47,916</u>	<u>773,604</u>	<u>2,744,118</u>	<u>32,890</u>	<u>899,312</u>	<u>4,497,840</u>
Expenses						
Personnel costs	263,741	366,859	1,395,625	-	472,037	2,498,262
Occupancy	32,810	20,559	107,928	2,301	17,518	181,115
Outside services	92,205	20,452	210,291	12,451	34,012	369,412
Program and clinical supplies	74	-	71,674	-	61,749	133,497
Insurance	1,765	1,429	5,392	312	1,873	10,771
Telecommunications and technology	92,478	51,659	92,096	856	22,985	260,074
Outreach, awareness, education & marketing	20,303	-	16,638	-	-	36,941
Board & staff development, education & training	818	756	2,242	58	2,480	6,353
Office supplies, equipment & fixtures	7,876	958	8,838	4,800	14,706	37,178
Membership, affiliation, licensure & fees	2,536	350	13,977	-	1,765	18,627
Special events and fundraising	700	-	-	-	-	700
Depreciation and amortization	4,031	2,638	18,221	-	14,535	39,426
Interest, financing, and bank fees	38,479	8,393	62,162	199	6,338	115,570
Other expense	(23,243)	-	-	-	-	(23,243)
Joint cost-A&G allocation	(494,623)	74,175	267,048	6,236	147,165	-
Total expenses	<u>39,948</u>	<u>548,228</u>	<u>2,272,131</u>	<u>27,213</u>	<u>797,163</u>	<u>3,684,682</u>
Change in net assets	<u>\$ 7,968</u>	<u>\$ 225,377</u>	<u>\$ 471,987</u>	<u>\$ 5,677</u>	<u>\$ 102,150</u>	<u>\$ 813,158</u>

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Schedule of Expenditures by State Categories (Davis Street)  
For the Year Ended June 30, 2020

	Alternative Payment Program				Center-Based		
	Alternative Payment CAPP-9005	Alternative Payment Stage 2 C2AP-9004	Alternative Payment Stage 3 C3AP-9004	County CalWorks Alt. Payment CAPP-9005	General Center CCTR- 9013	State Preschool CSPP- 9029	Total CDE Programs
Direct payments to providers	\$ 1,586,843	\$1,105,912	\$3,359,690	\$ 111,480	\$ -	\$ -	\$ 6,163,925
1000 Certificated salaries	-	-	-	-	89,611	326,271	415,882
2000 Classified salaries	191,669	105,039	397,420	12,042	24,230	75,454	805,854
3000 Employee benefits	32,025	40,321	51,917	3,397	40,477	120,892	289,029
4000 Books and supplies	6,933	6,149	9,547	-	2,216	20,732	45,577
5000 Services and operating expenses	44,517	57,824	99,544	9,000	9,830	91,143	311,858
Depreciation	4,368	3,756	3,860	-	3,228	6,059	21,271
Total Expenditure	<u>\$ 1,866,355</u>	<u>\$1,319,001</u>	<u>\$3,921,978</u>	<u>\$ 135,919</u>	<u>\$ 169,592</u>	<u>\$ 640,551</u>	<u>\$ 8,053,396</u>

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Schedule of Reimbursable Equipment Expenditures and  
Renovations and Repairs Expenditures  
For the Year Ended June 30, 2020

**Equipment Expenditures:**

<u>Unit Cost Under \$5,000 Per Item</u>	\$	-
None		
 <u>Unit Costs Over \$5,000 Per Item</u>		-
<u>With Prior Approval</u>		
None		
 <u>Unit Costs Over \$5,000 Per Item</u>		-
<u>Without Prior Approval</u>		
None		
 Total equipment expenditures	\$	-

**Renovations and Repairs:**

<u>Unit Costs Under \$10,000 Per Item</u>	\$	-
 <u>Unit Costs Under \$10,000 Per Item</u>		
<u>With Prior Written Approval</u>		
None		-
 <u>Unit Costs Under \$10,000 Per Item</u>		
<u>Without Prior Written Approval</u>		
None		-
 Total renovations and repairs	\$	-

The Davis Street Community Center Incorporated and Subsidiaries  
d/b/a Davis Street  
Schedule of Reimbursable Administrative Costs  
For the Year Ended June 30, 2020

		Alternative Payment Program				Center-Based		
		Alternative Payment CAPP-9005	Alternative Payment Stage 2 C2AP-9004	Alternative Payment Stage 3 C3AP- 9004	County CalWorks Alt. Payment CAPP-9005	General Center CCTR- 9013	State Preschool CSPP- 9029	Total CDE Programs
1000	Certificated salaries	\$ -	\$ -	\$ -	\$ -	\$ 10,748	\$ 9,074	\$ 19,822
2000	Classified salaries	31,268	17,058	67,532	12,042	4,127	15,473	147,500
3000	Employee benefits	5,224	6,548	8,859	3,397	5,256	2,661	31,945
4000	Books and supplies	1,132	999	1,591	-	476	11,787	15,985
5000	Services and operating expenses	11,566	12,957	20,294	900	1,423	41,423	88,563
	Depreciation	<u>4,368</u>	<u>3,756</u>	<u>3,860</u>	<u>-</u>	<u>3,228</u>	<u>6,059</u>	<u>21,271</u>
Total expenditure		<u>\$ 53,558</u>	<u>\$ 41,318</u>	<u>\$ 102,136</u>	<u>\$ 16,339</u>	<u>\$ 25,258</u>	<u>\$ 86,477</u>	<u>\$ 325,086</u>

# California Department of Education

## Audited Fiscal Report for CalWORKs, Alternative Payment or Family Child Care Home Programs

A U D 9500AP Page 1 of 4

Fiscal Year End	June 30, 2020
Contract Number	CAPP-9005
Vendor Code	U243

Full Name of Contractor The Davis Street Community Center Incorporated

### Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
<b>Restricted Income - Subtotal</b>				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children		43,369		43,369
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
<b>Total Revenue</b>		<b>43,369</b>		<b>43,369</b>



Full Name of Contractor **The Davis Street Community Center Incorporated****Section 2 - Reimbursable Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		1,586,843		1,586,843
1000 Certificated Salaries				
2000 Classified Salaries		191,545	124	191,669
3000 Employee Benefits		31,837	188	32,025
4000 Books and Supplies		6,933		6,933
5000 Services and Other Operating Expenses		40,966	3,551	44,517
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance		1,835	2,533	4,368
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
<b>Total Reimbursable Expenses</b>		<b>1,859,959</b>	<b>6,396</b>	<b>1,866,355</b>
Total Administrative Cost (included in Section 2 above)		47,474	6,084	53,558
Days of Operation		251		251

Approved Indirect Cost Rate: ☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Full Name of Contractor **The Davis Street Community Center Incorporated****Section 3 - Supplemental Revenue**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding				
Other:				
<b>Total Supplemental Revenue</b>				

**Section 4 - Supplemental Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers				
1000 Certificated Salaries				
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
<b>Total Supplemental Expenses</b>				

Full Name of Contractor

The Davis Street Community Center Incorporated

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children		43,369		43,369
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers		1,586,843		1,586,843
Total Administrative Cost		47,474	6,084	53,558
Days of Operation		251		251
Total Reimbursable Expenses		1,859,959	6,396	1,866,355

Comments:

# California Department of Education

## Audited Fiscal Report for CalWORKs, Alternative Payment or Family Child Care Home Programs

A U D 9500AP Page 1 of 4

Fiscal Year End	June 30, 2020
Contract Number	C2AP-9004
Vendor Code	U243

Full Name of Contractor The Davis Street Community Center Incorporated

### Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
<b>Restricted Income - Subtotal</b>				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children		18,713		18,713
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
<b>Total Revenue</b>		<b>18,713</b>		<b>18,713</b>

Full Name of Contractor **The Davis Street Community Center Incorporated****Section 2 - Reimbursable Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		1,105,912		1,105,912
1000 Certificated Salaries				
2000 Classified Salaries		105,039		105,039
3000 Employee Benefits		40,114	207	40,321
4000 Books and Supplies		6,149		6,149
5000 Services and Other Operating Expenses		55,110	2,714	57,824
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance		1,274	2,482	3,756
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
<b>Total Reimbursable Expenses</b>		<b>1,313,598</b>	<b>5,403</b>	<b>1,319,001</b>
Total Administrative Cost (included in Section 2 above)		36,122	5,196	41,318
Days of Operation		251		251

Approved Indirect Cost Rate: ☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Full Name of Contractor **The Davis Street Community Center Incorporated****Section 3 - Supplemental Revenue**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding				
Other:				
<b>Total Supplemental Revenue</b>				

**Section 4 - Supplemental Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers				
1000 Certificated Salaries				
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
<b>Total Supplemental Expenses</b>				

Full Name of Contractor

The Davis Street Community Center Incorporated

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children		18,713		18,713
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers		1,105,912		1,105,912
Total Administrative Cost		36,122	5,196	41,318
Days of Operation		251		251
Total Reimbursable Expenses		1,313,598	5,403	1,319,001

Comments:

# California Department of Education

## Audited Fiscal Report for CalWORKs, Alternative Payment or Family Child Care Home Programs

A U D 9500AP Page 1 of 4

Fiscal Year End	June 30, 2020
Contract Number	C3AP-9004
Vendor Code	U243

Full Name of Contractor The Davis Street Community Center Incorporated

### Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
<b>Restricted Income - Subtotal</b>				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children		123,917		123,917
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
<b>Total Revenue</b>		<b>123,917</b>		<b>123,917</b>



Full Name of Contractor **The Davis Street Community Center Incorporated****Section 2 - Reimbursable Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		3,359,690		3,359,690
1000 Certificated Salaries				
2000 Classified Salaries		397,420		397,420
3000 Employee Benefits		51,917		51,917
4000 Books and Supplies		9,547		9,547
5000 Services and Other Operating Expenses		97,215	2,329	99,544
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance		1,370	2,490	3,860
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
<b>Total Reimbursable Expenses</b>		<b>3,917,159</b>	<b>4,819</b>	<b>3,921,978</b>
Total Administrative Cost (included in Section 2 above)		97,317	4,819	102,136
Days of Operation		251		251

Approved Indirect Cost Rate: ☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Full Name of Contractor **The Davis Street Community Center Incorporated****Section 3 - Supplemental Revenue**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding				
Other:				
<b>Total Supplemental Revenue</b>				

**Section 4 - Supplemental Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers				
1000 Certificated Salaries				
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
<b>Total Supplemental Expenses</b>				

Full Name of Contractor

The Davis Street Community Center Incorporated

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children		123,917		123,917
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers		3,359,690		3,359,690
Total Administrative Cost		97,317	4,819	102,136
Days of Operation		251		251
Total Reimbursable Expenses		3,917,159	4,819	3,921,978

Comments:

# California Department of Education

## Audited Fiscal Report for CalWORKs, Alternative Payment or Family Child Care Home Programs

A U D 9500AP Page 1 of 4

Fiscal Year End	June 30, 2020
Contract Number	CAPP-9000
Vendor Code	2401

Full Name of Contractor The Davis Street Community Center Inc. - on behalf of Alameda County Department of Social Services

### Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
<b>Restricted Income - Subtotal</b>				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children				
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
<b>Total Revenue</b>				

Full Name of Contractor **The Davis Street Community Center Inc. - on behalf of Alameda County Department of Social Services****Section 2 - Reimbursable Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		111,480		111,480
1000 Certificated Salaries				
2000 Classified Salaries		12,042		12,042
3000 Employee Benefits		3,397		3,397
4000 Books and Supplies				
5000 Services and Other Operating Expenses		9,000		9,000
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Non-Reimbursable (State use only)				
<b>Total Reimbursable Expenses</b>		<b>135,919</b>		<b>135,919</b>
Total Administrative Cost (included in Section 2 above)		9,000	7,339	16,339
Days of Operation		251		251

Approved Indirect Cost Rate: ☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Full Name of Contractor **The Davis Street Community Center Inc. - on behalf of Alameda County Department of Social Services****Section 3 - Supplemental Revenue**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding				
Other:				
<b>Total Supplemental Revenue</b>				

**Section 4 - Supplemental Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers				
1000 Certificated Salaries				
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
<b>Total Supplemental Expenses</b>				

Full Name of Contractor

The Davis Street Community Center Inc. - on behalf of Alameda County Department of Social Services

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children				
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers		111,480		111,480
Total Administrative Cost		9,000	7,339	16,339
Days of Operation		251		251
Total Reimbursable Expenses		135,919		135,919

Comments:

# California Department of Education Audited Attendance and Fiscal Report for Child Development Programs

Fiscal Year Ending **June 30, 2020**

Contract Number **CCTR-9013**

Vendor Code **U243**

A U D 9500 Page 1 of 8

Full Name of Contractor **The Davis Street Community Center Incorporated**

## Section 1 - Days of Enrollment Certified Children

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus				2.8792	0
Infants (up to 18 months) Full-time				2.4400	0
Infants (up to 18 months) Three-quarters-time				1.8300	0
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time	1,567		1,567	1.0000	1,567
Three Years and Older Three-quarters-time	152		152	0.7500	114
Three Years and Older One-half-time	3,740		3,740	0.5500	2,057
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0



Full Name of Contractor **The Davis Street Community Center Incorporated****Section 1 - Days of Enrollment Certified Children (continued)**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time	107		107	1.1000	117.7
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6050	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT</b>	<b>5,566</b>		<b>5,566</b>	<b>N/A</b>	<b>3,855.7</b>
<b>DAYS OF OPERATION</b>	<b>249</b>		<b>249</b>	<b>N/A</b>	<b>N/A</b>
<b>DAYS OF ATTENDANCE</b>	<b>5,440</b>		<b>5,440</b>	<b>N/A</b>	<b>N/A</b>

☒ NO NON-CERTIFIED CHILDREN Check this box (omit pages 3-4) and continue to Revenue Section on page 5.

Full Name of Contractor **The Davis Street Community Center Incorporated****Section 2 - Days of Enrollment Non-Certified Children**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus				2.8792	0
Infants (up to 18 months) Full-time				2.4400	0
Infants (up to 18 months) Three-quarters-time				1.8300	0
Infants (up to 18 months) One-half-time				1.3420	0
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time				1.0000	0
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time				0.5500	0
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Full Name of Contractor **The Davis Street Community Center Incorporated****Section 2 - Days of Enrollment Non-Certified Children (continued)**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6050	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT</b>				<b>N/A</b>	<b>0</b>

Full Name of Contractor

The Davis Street Community Center Incorporated

Section 3 - Revenue

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	5,547		5,547
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal	5,547		5,547
Transfer From Reserve			
Family Fees for Certified Children	4,913		4,913
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children			
Unrestricted Income - Head Start			
Unrestricted Income - Other:			
Total Revenue	10,460		10,460

Comments:

Full Name of Contractor **The Davis Street Community Center Incorporated****Section 4 - Reimbursable Expenses**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	89,611		89,611
2000 Classified Salaries	24,230		24,230
3000 Employee Benefits	40,477		40,477
4000 Books and Supplies	979	1,237	2,216
5000 Services and Other Operating Expenses	9,570	260	9,830
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	2,960	268	3,228
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
<b>Total Reimbursable Expenses</b>	<b>167,827</b>	<b>1,765</b>	<b>169,592</b>
Total Administrative Cost (included in Section 4 above)	24,730	528	25,258
Total Staff Training Cost (included in Section 4 above)	358		358

Approved Indirect Cost Rate:

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Full Name of Contractor **The Davis Street Community Center Incorporated****Section 5 - Supplemental Revenue**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other:			
Other:			
<b>Total Supplemental Revenue</b>			

**Section 6 - Supplemental Expenses**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies			
5000 Services and Other Operating Expenses			
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
<b>Total Supplemental Expenses</b>			

Full Name of Contractor **The Davis Street Community Center Incorporated****Section 7 - Summary**

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	5,566		5,566
Days of Operation	249		249
Days of Attendance	5,440		5,440
Restricted Program Income	5,547		5,547
Transfer from Reserve			
Family Fees for Certified Children	4,913		4,913
Interest Earned on Child Development Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	167,827	1,765	169,592
Total Administrative Cost	24,730	528	25,258
Total Staff Training Cost	358		358

Total Certified Adjusted Days of Enrollment **3,855.7**Total Non-Certified Adjusted Days of Enrollment **0**

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

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box):

**YES**

Reimbursable expenses claimed on page 6 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 5. If necessary, attach additional sheets to explain adjustments.

# California Department of Education Audited Attendance and Fiscal Report for California State Preschool Programs

A U D 8501 Page 1 of 8

Fiscal Year Ending **June 30, 2020**

Contract Number **CSPP-9029**

Vendor Code **U243**

Full Name of Contractor **The Davis Street Community Center Incorporated**

## Section 1 - Days of Enrollment Certified Children

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time				1.0000	0
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time	1,094		1,094	0.6193	677.5142
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time	1,306		1,306	0.9537	1,245.5322
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time	18,864		18,864	0.6193	11,682.4752



Full Name of Contractor **The Davis Street Community Center Incorporated****Section 1 - Days of Enrollment Certified Children (continued)**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>21,264</b>		<b>21,264</b>	N/A	<b>13,605.5216</b>
<b>DAYS OF OPERATION</b>	<b>249</b>		<b>249</b>	N/A	N/A
<b>DAYS OF ATTENDANCE</b>	<b>20,932</b>		<b>20,932</b>	N/A	N/A

☒ NO NON-CERTIFIED CHILDREN Check this box (omit pages 3 and 4) and continue to Revenue Section on page 5.

Full Name of Contractor The Davis Street Community Center Incorporated

**Section 2 - Days of Enrollment Non-Certified Children**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Toddlers (18 up to 36 months) Full-time-plus				2.1240	0
Toddlers (18 up to 36 months) Full-time				1.8000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.3500	0
Toddlers (18 up to 36 months) One-half-time				0.9900	0
Three Years and Older Full-time-plus				1.1800	0
Three Years and Older Full-time				1.0000	0
Three Years and Older Three-quarters-time				0.7500	0
Three Years and Older One-half-time				0.6193	0
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.9537	0

Full Name of Contractor The Davis Street Community Center Incorporated

**Section 2 - Days of Enrollment Non-Certified Children (continued)**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT</b>				<b>N/A</b>	<b>0</b>

Full Name of Contractor

The Davis Street Community Center Incorporated

Section 3 - Revenue

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	30,790		30,790
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal	30,790		30,790
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Transfer from Reserve Total			
Family Fees for Certified Children			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children			
Unrestricted Income - Head Start			
Unrestricted Income - Other:			
Total Revenue	30,790		30,790

Comments:

Full Name of Contractor **The Davis Street Community Center Incorporated****Section 4 - Reimbursable Expenses**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	326,271		326,271
2000 Classified Salaries	35,735	39,719	75,454
3000 Employee Benefits	107,572	13,320	120,892
4000 Books and Supplies	9,086	11,646	20,732
5000 Services and Other Operating Expenses	91,521	-378	91,143
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	4,732	1,327	6,059
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)			
Non-Reimbursable (State use only)			
<b>Total Reimbursable Expenses</b>	<b>574,917</b>	<b>65,634</b>	<b>640,551</b>
Total Administrative Cost (included in Section 4 above)	85,528	949	86,477
Total Staff Training Cost (included in Section 4 above)	1,088		1,088

Approved Indirect Cost Rate:

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Full Name of Contractor The Davis Street Community Center Incorporated

**Section 5 - Supplemental Revenue**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other:			
Other:			
<b>Total Supplemental Revenue</b>			

**Section 6 - Supplemental Expenses**

	Column A Cumulative CDNFS 8501	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			
<b>Total Supplemental Expenses</b>			

Full Name of Contractor **The Davis Street Community Center Incorporated****Section 7 - Summary**

	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	21,264		21,264
Days of Operation	249		249
Days of Attendance	20,932		20,932
Restricted Program Income	30,790		30,790
Transfer from Reserve			
Family Fees for Certified Children			
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	574,917	65,634	640,551
Total Administrative Cost	85,528	949	86,477
Total Staff Training Cost	1,088		1,088

Total Certified Adjusted Days of Enrollment **13,605.5216**Total Non-Certified Adjusted Days of Enrollment **0**

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

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box):

**Yes**

Reimbursable expenses claimed on page 6 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 5. If necessary, attach additional sheets to explain adjustments.

# California Department of Education

## Audited Reserve Account Activity Report

A U D 9530A Page 1 of 1

Fiscal Year End

June 30, 2020

Reserve Account Type

Alternative Payment

Vendor Code

U243

Full Name of Contractor **The Davis Street Community Center Incorporated**

### Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2018–19 AUD 9530A Ending Balance)	1
2. Plus Transfers to Reserve Account:	Per 2018–19 Post-Audit CDNFS 9530
Contract No. C3AP8004	25,514
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
<b>Total Transferred from 2018–19 Contracts to Reserve</b>	<b>25,514</b>
3. Less Excess Reserve to be Billed	
<b>4. Ending Balance per 2018–19 Post-Audit CDNFS 9530</b>	<b>25,515</b>

### Section 2 - Current Year Reserve Account Activity

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve	26		26
6. Less Transfers to Contracts from Reserve:			
CSPP General-Contract No.			
CSPP General-Contract No.			
CSPP Professional Development-Contract No.			
CSPP Professional Development-Contract No.			
<b>Subtotal CSPP Transfers</b>			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
<b>Subtotal Other Contract Transfers</b>			
<b>Total Transferred to Contracts from Reserve Account</b>			
<b>7. Ending Balance on June 30, 2020</b>	<b>25,541</b>		<b>25,541</b>

COMMENTS - If necessary, attach additional sheets to explain adjustments.



# California Department of Education

## Audited Reserve Account Activity Report

A U D 9530A Page 1 of 1

Fiscal Year End

June 30, 2020

Reserve Account Type

Center-Based

Vendor Code

U243

Full Name of Contractor **The Davis Street Community Center Incorporated**

### Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2018–19 AUD 9530A Ending Balance)	70,776
2. Plus Transfers to Reserve Account:	Per 2018–19 Post-Audit CDNFS 9530
Contract No. CSPP8028	38,594
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
<b>Total Transferred from 2018–19 Contracts to Reserve</b>	<b>38,594</b>
3. Less Excess Reserve to be Billed	
<b>4. Ending Balance per 2018–19 Post-Audit CDNFS 9530</b>	<b>109,370</b>

### Section 2 - Current Year Reserve Account Activity

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve	72		72
6. Less Transfers to Contracts from Reserve:			
CSPP General-Contract No.			
CSPP General-Contract No.			
CSPP Professional Development-Contract No.			
CSPP Professional Development-Contract No.			
<b>Subtotal CSPP Transfers</b>			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
<b>Subtotal Other Contract Transfers</b>			
<b>Total Transferred to Contracts from Reserve Account</b>			
<b>7. Ending Balance on June 30, 2020</b>	<b>109,442</b>		<b>109,442</b>

COMMENTS - If necessary, attach additional sheets to explain adjustments.