

SAINT VINCENT'S

DAY HOME

**FINANCIAL STATEMENTS
&
SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2018

WITH

INDEPENDENT AUDITORS' REPORT

SAINT VINCENT'S DAY HOME

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JUNE 30, 2018

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Saint Vincent's Day Home
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of Saint Vincent's Day Home (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States, and the *Child Care and Development Audit Guide* issued by the California Department of Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Saint Vincent's Day Home as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2018, on our consideration of Saint Vincent's Day Home'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 Saint Vincent's Day Home's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Saint Vincent's Day Home's 2017 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated September 14, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Vavinek, Time, Day & Co., LLP

Pleasanton, California
September 20, 2018

SAINT VINCENT'S DAY HOME

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2018 and 2017

ASSETS	2018	2017
Current Assets		
Cash and cash equivalents	\$ 1,787,793	\$ 2,487,147
Investments	12,601,687	11,083,328
Accounts receivable	150,767	119,615
Prepayments	38,856	51,843
Total Current Assets	<u>14,579,103</u>	<u>13,741,933</u>
Noncurrent Assets		
Capital assets not depreciated	243,880	243,880
Capital assets, net of accumulated depreciation	<u>2,534,957</u>	<u>2,630,502</u>
Total Noncurrent Assets	<u>2,778,837</u>	<u>2,874,382</u>
Total assets	<u>\$ 17,357,940</u>	<u>\$ 16,616,315</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 76,323	\$ 122,728
Accrued payroll and related liabilities	231,265	194,207
Unearned revenue-CCTR	35,706	-
Total Current Liabilities	<u>343,294</u>	<u>316,935</u>
Total Liabilities	<u>343,294</u>	<u>316,935</u>
Net Assets		
Unrestricted	16,747,753	16,076,685
Temporary restricted	266,893	222,695
Total Net Assets	<u>17,014,646</u>	<u>16,299,380</u>
Total Liabilities and Net Assets	<u>\$ 17,357,940</u>	<u>\$ 16,616,315</u>

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

SAINT VINCENT'S DAY HOME

**STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018			2017 Total
	Unrestricted	Temporarily Restricted	Total	
REVENUES AND SUPPORT				
Apportionment				
California Department of Education				
Allocation and grants	\$ 2,786,984	\$ 2,500	\$ 2,789,484	\$ 2,445,586
Child and adult care food program	191,171	-	191,171	200,161
Child care fees				
Certified families	117,850	-	117,850	207,418
Non-certified families	2,904	-	2,904	28,785
Investment income (loss)				
Realized gain/(loss) on investments	484,237	-	484,237	159,773
Unrealized gain (loss) on investments	(279,424)	-	(279,424)	845,431
Dividends and interest	418,730	-	418,730	285,923
Other support				
Head Start/Early Head Start	147,580	-	147,580	209,200
Maintenance of effort	34,220	-	34,220	34,220
Private donations and grants	193,935	93,500	287,435	462,050
Use allowance revenue	114,519	-	114,519	112,815
Other income	225,219	-	225,219	217,101
Total Support and Revenues	4,437,925	96,000	4,533,925	5,208,463
Net assets released from restrictions				
Satisfaction of donor restrictions	51,802	(51,802)	-	-
Total Revenues and Support	4,489,727	44,198	4,533,925	5,208,463
EXPENSES				
Program Expenses				
Child care	3,240,545	-	3,240,545	3,033,765
Supporting Services				
Management and general	340,967	-	340,967	340,773
Fund-raising	237,147	-	237,147	154,029
Total Supporting Services	578,114	-	578,114	494,802
Total Expenses	3,818,659	-	3,818,659	3,528,567
Change In Net Assets	671,068	44,198	715,266	1,679,896
Net Assets At Beginning Of Year	16,076,685	222,695	16,299,380	14,619,484
Net Assets At End Of Year	\$16,747,753	\$ 266,893	\$ 17,014,646	\$ 16,299,380

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

SAINT VINCENT'S DAY HOME

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2018 and 2017

	2018	2017
Cash flows from operating activities	\$ 715,266	\$ 1,679,896
Change in net assets		
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense/use allowance	174,608	169,605
Realized (gain)/loss on sale of investments	(484,237)	(159,773)
Unrealized (gain)/loss on investments	279,423	(845,431)
Loss from sale of property and equipment	536	-
Changes in operating assets and liabilities		
Accounts receivable	(31,152)	(17,384)
Contributions receivable	-	-
Prepayments	12,987	(21,048)
Accounts payable	(46,405)	24,378
Accrued payroll and related liabilities	37,058	(141,703)
Unearned revenue	35,706	(1,650)
Net Cash Provided By Operating Activities	<u>693,790</u>	<u>686,890</u>
Cash flows from investing activities		
Purchase of property and equipment	(79,601)	(81,237)
Purchase of investments	(2,793,777)	(906,394)
Proceeds from sales of investments	1,480,234	444,409
Net Cash Used By Investing Activities	<u>(1,393,144)</u>	<u>(543,222)</u>
Net Change In Cash And Cash Equivalents	(699,354)	143,668
Cash And Cash Equivalents, Beginning Of Year	<u>2,487,147</u>	<u>2,343,479</u>
Cash And Cash Equivalents, End Of Year	<u>\$ 1,787,793</u>	<u>\$ 2,487,147</u>

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

SAINT VINCENT'S DAY HOME

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE #1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Saint Vincent's Day Home ("SVDH") is a nonprofit child development center in Oakland, California, founded in 1911, and incorporated on November 1, 1972. It is the mission of SVDH to provide quality child care services to those in greatest need, while offering family services in which children are nurtured and educated and their parent(s) assisted in meeting parental obligations. SVDH is both publicly and privately funded with revenue derived from program contracts with the California Department of Education ("CDE"), private donations, and subsidized child care fees.

Financial Statement Presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) ASC 958-210-50. Under ASC 958-210-50, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of SVDH and changes therein are classified and reported as follows:

- ***Unrestricted net assets***

Net assets that are not subject to donor-imposed stipulations or whose restrictions are met in the year received are recorded as unrestricted. Unrestricted net assets are composed of the following:

Operations fund which results from child development and nutrition programs primarily funded by the CDE.

Plant fund which consists of the property and equipment of SVDH.

Quasi-endowment fund which the Board of Directors has approved for expanded program services and to ensure the financial future of SVDH.

- ***Temporary restricted net assets***

Net assets subject to donor-imposed stipulations that will be met, either by actions of SVDH and/or the passage of time are classified as temporarily restricted. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

SAINT VINCENT'S DAY HOME

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts. The Organization maintains cash balances in financial institutions which are insured up to \$250,000. At June 30, 2018, the amount in excess of federal depository insurance coverage (FDIC) was approximately \$1,000,000.

Investments

The fair value of equity and debt securities with readily determinable fair values approximates their respective quoted market prices. The fair value of investments in partnerships and real estate held as investments is estimated using private valuations of the securities or properties held. Because of the inherent uncertainty of valuation methods, those estimated values might differ significantly from those used had a market existed. All other financial instruments' fair values approximate their carrying amounts due to the short maturities of these instruments.

Support and Contributions

Contributions are recognized when the donor makes a contribution to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in the appropriate classification of net assets as temporarily or permanently restricted. When a restriction expires through either the passage of time or use, the assets are reclassified as assets released from restrictions.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Receipts from the CDE and other government agencies are recognized in the period earned. Reimbursable earnings not yet received from the CDE are recorded as accounts receivable. Funds received in excess of the maximum reimbursable amount are recorded as accounts payable.

Allowance for Bad Debts

The Organization does not consider that the allowance for doubtful accounts is necessary as management believes all receivables are collectible.

Property and equipment

The Organization capitalizes property and equipment purchased or donated with a fair value over \$600. Lesser amounts are expensed when purchased. Donations of property and equipment are recorded as contributions at their estimated fair value, if known. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in services. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Routine maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight-line method based on the assets' estimated useful lives ranging from three to thirty years.

SAINT VINCENT'S DAY HOME

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets as follows:

Office furniture and equipment	5-7 Years
Educational furniture and equipment	5-10 Years
Kitchen equipment	5 Years
Automobiles	5 Years
Building	40 Years
Building improvements	10-15 Years

The CDE allows an alternate method for capturing costs of assets used by state program activities called a use allowance. A use allowance of \$114,519 has been recorded as an increase to both revenues and expenses on the Statement of Activities and depreciation expense of \$174,608 has been recorded. The use allowance is computed at an annual percentage rate of acquisition costs as follows:

Building and improvements	2% of acquisition costs
Equipment	6.667% of acquisition costs

Donated Services, Goods, and Facilities

A substantial number of volunteers have donated their time and experience to the Organization's program services and fundraising events during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services.

Donated commodities in the amount of \$20,873 were recorded in the financial statements.

Use of Estimates

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

Income taxes

The Organization is a nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and classified by the Internal Revenue Service (IRS) as other than a private organization. Contributions received qualify as tax deductible gifts as provided in Section 170(b)(1)(A)(vi). The Organization is also exempt from California State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. The Organization's Federal Form 990, *Return of Organization Exempt From Income Tax*, and State Form 109, *California Exempt Organization Business Income Tax Return*, are subject to examination by the IRS for three years, and by the State Franchise Tax Board for four years, after they were filed. The Organization is not aware of any such examinations at this time.

SAINT VINCENT'S DAY HOME

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

The Organization has adopted FASB ASC Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

Allocation of Functional Expenses

The costs of providing the various programs, fundraising, and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and fundraising activities benefited.

Comparative Totals

The financial statements include certain prior-year summarized information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

NOTE #2 – ACCOUNTS RECEIVABLE

Accounts receivable represent amounts due to the Organization as follows:

	2018	2017
Head Start	\$ 14,758	\$ 41,900
Early Head Start	-	25,200
CSPP	122,000	34,711
CCFP	12,899	15,774
Child care fees	-	590
Maintenance of Effort	1,110	1,440
Total	<u>\$ 150,767</u>	<u>\$ 119,615</u>

NOTE #3 – INTERNAL FUNDS BORROWING

It is SVDH's policy to cover CDE Fund deficit by borrowing from the Quasi-Endowment Fund. As of June 30, 2018, an interfund balance of \$20,000 was owed from the Quasi-Endowment Fund to the CDE Fund.

SAINT VINCENT'S DAY HOME

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 4 - INVESTMENTS

Investments are recorded at fair value on the statement of financial position. The following table summarizes the investment returns which are recorded in the statement of activities:

	2018	2017
Realized gains (loss) on investments	\$ 484,237	\$ 159,773
Unrealized gains (loss) on investments	(279,424)	845,431
Interest and dividends	418,730	285,923
Total investment income	\$ 623,543	\$ 1,291,127
Investment expenses	(16,473)	(13,948)
Total investment income, net of expenses	<u>\$ 607,070</u>	<u>\$ 1,277,179</u>

Investment Policies

Return Objectives and Risk Parameters

SVDH maintains a quasi-endowment fund and has adopted investment and spending policies that includes a total return policy with the primary objective of long-term perpetual growth of assets and protection of capital. With this objective in mind, SVDH has established the following long-term risk and return objective:

- *Return:* The return objective for the total fund will be to outperform a custom benchmark made up of 75% MSCI ACWI and 25% Barclays Aggregate Bond Index over a complete market cycle of 5-7 years.
- *Risk:* The total portfolio should experience less risk as measured by the standard deviation than that of a custom benchmark made of 75% MSCI ACWI and 25% Barclays Aggregate Bond Index over a complete market cycle of 5-7 years.

Strategies Employed for Achieving Objectives

To satisfy its long-term growth of asset objectives, the investment portfolio shall be invested to provide safety through diversification in a portfolio of common stocks, bonds, cash equivalents, and alternative investments, all of which may reflect varying rates of return. Alternative investments can be classified as assets outside the traditional classes of stocks, bonds, and cash. The investments shall also be diversified within asset classes (e.g., equities shall be diversified by economic sector, industry, quality, and size). Portfolio diversification provides protection against a single security or class of securities having a disproportionate impact on aggregate performance.

SVDH endeavors to invest in strategies and investments that avoid a permanent loss of capital, with the exception of alternative investments. SVDH is willing to accept a temporary loss of capital if the return to risk portfolio is reasonable, in the judgment of the Board of Directors, taking into account applicable market-place indicators.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Each fiscal year, budgeted spending may be authorized for up to four (4%) of the portfolio's trailing three year average market value. Specific spending recommendations and spending policy amendment are subject to Board approval.

SAINT VINCENT'S DAY HOME

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE #5 - MARKET VALUE OF FINANCIAL ASSETS AND LIABILITIES

The organization determines the fair market values of certain financial instruments based on the fair value hierarchy established in FASB ASC 820-10-50, which requires an entity to maximize the use of observable inputs and minimize the use unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 asset and liabilities may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S. Government and agency mortgage-backed debt securities, corporate debt securities, derivative contracts, residential mortgage, and loans held-for-sale.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, retained residual interests in securitizations, residential MSRs, asset-backed securities (ABS), highly structured or long-term derivative contracts and certain collateralized debt obligations (CDO) where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2018. SVDH did not have any liabilities measured at fair value on a recurring basis as of June 30, 2018.

	Level 1	Level 2	Level 3	Total
Bond and Mutual Funds	\$ 9,303,030	\$ -	\$ -	\$ 9,303,030
Common Stocks	2,866,767	-	-	2,866,767
Alternative investment	-	-	431,890	431,890
Total	<u>\$ 12,169,797</u>	<u>\$ -</u>	<u>\$ 431,890</u>	<u>\$ 12,601,687</u>

SAINT VINCENT'S DAY HOME

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

The following table presents changes in SVDH's Level 3 investment assets measured at fair value on a recurring basis for the year ending June 30, 2018.

	Limited Partner Foundation Partners, L.P.
Level 3 investments	
Balance, beginning of year	\$ 421,370
Income (loss)	10,520
Balance, end of year	<u>\$ 431,890</u>

SVDH did not have any assets or liabilities recorded at fair value on a non-recurring basis.

NOTE #6 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2018, consisted of the following:

	Balance Beginning of Year	Increase	Disposals	Balance End of Year
Land	\$ 243,880	\$ -	\$ -	\$ 243,880
Capital assets not depreciated	<u>243,880</u>	<u>-</u>	<u>-</u>	<u>243,880</u>
Buildings, parking lot, building and land improvements	4,790,685	28,401	2,388	4,816,698
Office furniture and equipment	228,232	43,896	39,685	232,443
Kitchen equipment	56,934	7,304	1,251	62,987
Capital assets being depreciated	<u>5,075,851</u>	<u>79,601</u>	<u>43,324</u>	<u>5,112,128</u>
Total Capital Assets	<u>\$ 5,319,731</u>	<u>\$ 79,601</u>	<u>\$ 43,324</u>	<u>\$ 5,356,008</u>

At June 30, 2018, the costs and related accumulated depreciation of property and equipment consisted of the following:

	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 243,880	\$ -	\$ 243,880
Capital assets not depreciated	<u>243,880</u>	<u>-</u>	<u>243,880</u>
Buildings, parking lot, building and land improvements	4,816,698	2,371,276	2,445,422
Office furniture and equipment	232,443	162,487	69,956
Kitchen equipment	62,987	43,408	19,579
Capital assets, net of depreciation	<u>5,112,128</u>	<u>2,577,171</u>	<u>2,534,957</u>
Total Capital Assets	<u>\$ 5,356,008</u>	<u>\$ 2,577,171</u>	<u>\$ 2,778,837</u>

Depreciation expense for the year ended June 30, 2018 was \$174,608 and use of allowance was \$114,519.

SAINT VINCENT’S DAY HOME

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

The California Department of Education (CDE) retains a reversionary interest in certain assets purchased with CDE contract funds. The title to such assets vests in SVDH only for the period of time during which SVDH has a contract with CDE. At June 30, 2018, such assets consisted of the following and are included in the schedule above:

	Balance Beginning of Year	Increase	Disposals	Balance End of Year
Building & improvements	\$ 240,487	\$ -	\$ -	\$ 240,487
Furniture and equipment	24,606	-	-	24,606
Less: Accumulated depreciation	(110,721)	(25,827)	-	(136,548)
Net balance	<u>\$ 154,372</u>	<u>\$ (25,827)</u>	<u>\$ -</u>	<u>\$ 128,545</u>

NOTE #7 - ACCOUNTS PAYABLE

Accounts payable represents vendor invoices.

NOTE #8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of program funds held for the following various purposes:

Scholarship fund	\$ 101,834
General operating (time restriction)	1,900
Professional development	2,219
Mental Health	81,940
Early learning program & family service	75,000
Family Appreciation Celebration	1,000
Toddler Deck Built	3,000
Total Temporary Restricted Net Assets	<u>\$ 266,893</u>

NOTE #9 – CONTRIBUTORY RETIREMENT PLAN

SVDH sponsors a defined contribution pension plan (401k Plan). Under the provisions of the plan, employees may defer up to \$18,000 of their salary and employees over 50 years old may defer up to an additional \$6,000 as permitted by the Internal Revenue Service for 2018. SVDH may elect to make a discretionary matching contribution. Contributions for the year ended June 30, 2018 were \$47,718.

NOTE #10 – CONCENTRATIONS

SVDH received approximately 73% of its annual support and revenue from the California Department of Education for the General Child Care Program, Pre-Kindergarten, and Child and Adult Care Food Program grants.

SAINT VINCENT'S DAY HOME

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE #11 – COST ALLOCATION PLAN

SVDH reviews and updates its cost allocation plan annually and obtains approval from its Board of Directors. SVDH allocates its costs based on the relative benefits received by the programs or activities. Accordingly, the organization applies several methods for allocating costs:

Direct Costs: Costs identified 100 percent to a specific program are charged directly to that program.

Shared Direct Costs: Costs identified to specific multiple programs or activities are shared between the programs benefiting.

- Payroll costs are allocated using individual time sheets that report the actual time spent by employees in each program each day.

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

NOTE #12 – MAINTENANCE OF EFFORT (MOE)

SVDH received \$34,220 from the Alameda County Social Services Agency for MOE Provider Child Care Services during the year.

NOTE #13 – HEAD START

SVDH has received \$147,580 from City of Oakland for Head Start program.

NOTE #14 – RELATED PARTY TRANSACTION

SVDH has received \$2,000 in donations from Board members during the year.

NOTE #15 – CONTINGENCIES

SVDH has received federal and state grants for specific purposes that are subject to review and audit by the funding agencies. Such audit could generate expenditure disallowances or refunds payable under terms of the agency contracts. No material amounts are currently payable. Loss of governmental support would have a significant impact on SVDH's ability to provide program services.

NOTE #16 – SUBSEQUENT EVENTS

SVDH's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through September 20, 2018, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.

SUPPLEMENTARY INFORMATION

SAINT VINCENT'S DAY HOME

**SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	PC Number	Award Amount	Expenditures
FEDERAL AWARDS				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through California Department of Education				
Child Development Program (CCTR)	93.596/575	000321/000324	\$ 360,910 a	\$ 360,910
Child Development Program (CSPP)	93.596/575	000321/000324	389,067 b	389,067
Total U.S. Department of Health and Human Services			<u>749,977</u>	<u>749,977</u>
U.S. DEPARTMENT OF AGRICULTURE				
Passed through California Department of Education:				
Child and Adult Care Food Program	10.558	13666	191,172	191,172
Total Expenditures of Federal Awards			<u>\$ 941,149</u>	<u>\$ 941,149</u>
STATE AWARDS				
CALIFORNIA DEPARTMENT OF EDUCATION				
General Child Care & Development Programs (CCTR)	N/A	N/A	\$ 604,425 a	\$ 543,590
General Child Care & Development Programs (CSPP)	N/A	N/A	1,461,465 b	1,461,465
Pre-Kindergarten and Family Literacy Program (CPKS)	N/A	N/A	2,500	2,500
Total California Department of Education			<u>\$ 2,068,390</u>	<u>\$ 2,007,555</u>
Total Expenditures of State Awards			<u>\$ 2,068,390</u>	<u>\$ 2,007,555</u>

= Total CCTR allocation = \$904,500

b = Total CSPP allocation = \$1,850,532

a

See accompanying auditors' reports and notes to supplementary information.

SAINT VINCENT'S DAY HOME

COMBINING STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

REVENUES AND SUPPORT	CCTR	CSPP	CDE-CSPP Enhancement Fund QRIS	CPKS	CA School Age Consortium (AB212)	TOTAL CDE CONTRACTS	QUASI ENDOWMENT	PLANT FUND	TOTAL NON- CDE PROGRAMS	TOTAL
Revenue										
California Department of Education										
Allocation and grants	\$ 904,500	\$ 1,850,532	\$ 31,424	\$ 2,500	\$ 528	\$ 2,789,484	\$ -	\$ -	\$ -	\$ 2,789,484
Child and adult care food program (CCFP)	87,939	103,232	-	-	-	191,171	-	-	-	191,171
Maintenance of effort	16,426	17,794	-	-	-	34,220	-	-	-	34,220
Head Start	-	147,580	-	-	-	147,580	-	-	-	147,580
Certified families	34,745	83,105	-	-	-	117,850	-	-	-	117,850
Non-certified families	1,302	1,602	-	-	-	2,904	-	-	-	2,904
Investment income (loss)										
Realized gain on investments	-	-	-	-	-	-	484,237	-	484,237	484,237
Unrealized gain (loss) on investments	-	-	-	-	-	-	(279,423)	(1)	(279,424)	(279,424)
Dividends and interest	-	-	-	-	-	-	418,174	556	418,730	418,730
SUPPORT										
Private donations and grants	-	-	-	-	-	-	287,435	-	287,435	287,435
Use allowance revenue	-	-	-	-	-	-	-	114,519	114,519	114,519
Other income	6,651	8,355	-	-	-	15,006	210,749	(536)	210,213	225,219
Total Revenues and Support	<u>1,051,563</u>	<u>2,212,200</u>	<u>31,424</u>	<u>2,500</u>	<u>528</u>	<u>3,298,215</u>	<u>1,121,172</u>	<u>114,538</u>	<u>1,235,710</u>	<u>4,533,925</u>
EXPENSES										
Certified personnel salaries	253,293	515,230	-	-	-	768,523	6,917	-	6,917	775,440
Classified personnel salaries	450,401	918,040	29,724	-	-	1,398,165	135,814	-	135,814	1,533,979
Employee benefits	134,939	344,321	-	-	-	479,260	21,887	-	21,887	501,147
Books, supplies, and equipment replacement	56,404	115,170	-	2,500	-	174,074	962	-	962	175,036
Contracted services & other operating	118,807	242,639	1,700	-	528	363,674	8,700	-	8,700	372,374
Investment expenses	-	-	-	-	-	-	16,473	-	16,473	16,473
Development expenses	-	-	-	-	-	-	62,869	-	62,869	62,869
Grant expenses	-	-	-	-	-	-	92,214	-	92,214	92,214
Depreciation and use allowance	37,719	76,800	-	-	-	114,519	-	174,608	174,608	289,127
Total Expenses	<u>1,051,563</u>	<u>2,212,200</u>	<u>31,424</u>	<u>2,500</u>	<u>528</u>	<u>3,298,215</u>	<u>345,836</u>	<u>174,608</u>	<u>520,444</u>	<u>3,818,659</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 775,336	\$ (60,070)	\$ 715,266	\$ 715,266

See accompanying auditors' reports and notes to supplementary information.

SAINT VINCENT'S DAY HOME

**SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>CCTR</u>	<u>CSPP</u>	<u>QRIS Enhancement (Thru CSPP)</u>	<u>CA School Age- Consortium (AB212)</u>	<u>CPKS</u>	<u>Total</u>
1000 Certified salaries	\$ 253,293	\$ 515,230		\$ -	\$ -	\$ 768,523
2000 Classified salaries	450,401	918,040	29,724	-	-	1,398,165
3000 Employee benefits	134,939	344,321		-	-	479,260
4000 Books and supplies	56,404	115,170		-	2,500	174,074
5000 Contracted services and other operating expenses	118,807	242,639	1,700	528	-	363,674
CDE Use Allowance/Depreciation	37,719	76,800	-	-	-	114,519
	<u>\$1,051,563</u>	<u>\$2,212,200</u>	<u>\$ 31,424</u>	<u>\$ 528</u>	<u>\$2,500</u>	<u>\$ 3,298,215</u>

See accompanying auditors' reports and notes to supplementary information.

SAINT VINCENT'S DAY HOME

**SCHEDULE OF REIMBURSABLE EQUIPMENT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Center and Child Development Programs</u>
<u>Unit cost under \$7,500</u>	
None	\$ -
<u>Unit cost over \$7,500 with CDD approval</u>	
None	-
<u>Unit cost over \$7,500 without CDD approval</u>	
None	-
Total equipment expenditures	<u>\$ -</u>

See accompanying auditors' reports and notes to supplementary information.

SAINT VINCENT'S DAY HOME

**SCHEDULE OF REIMBURSABLE EXPENDITURES FOR
RENOVATIONS AND REPAIRS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Center and Child Development Programs</u>
<u>Unit Cost Under \$10,000 Per Item</u>	
Repairs and improvement of classrooms and buildings	\$ -
<u>Unit Cost \$10,000 or More Per Item With Prior Written Approval</u>	
Building improvements	<u>-</u>
<u>Unit Cost \$10,000 or More Per Item Without Prior Approval</u>	
None	<u>-</u>
Total	<u><u>\$ -</u></u>

See accompanying auditors' reports and notes to supplementary information.

SAINT VINCENT'S DAY HOME

**SCHEDULE OF RESERVE ACCOUNT ACTIVITY REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

AUDITED RESERVE ACCOUNT ACTIVITY REPORT			
Agency Name:	Saint Vincent's Day Home		
Fiscal Year End:	June 30, 2018	Vendor No.	B-363
Independent Auditor's Name:	Vavrinek, Trine, Day & Co., LLP		
RESERVE ACCOUNT TYPE (Check One): <input checked="" type="checkbox"/> Center Based <input type="checkbox"/> Resource and Referral <input type="checkbox"/> Alternative Payment	COLUMN A	COLUMN B AUDIT ADJUSTME NT INCREASE OR (DECREASE)	COLUMN C PER AGENCY
LAST YEAR:			
1. Beginning Balance (must equal ending balance from Last Year's AUD 9530-A, Section IV)			\$0
2. Plus Transfers from Contracts to Reserve Account (based on last year's post-audit CDFS 9530, Section IV):			
Contract No.			\$0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred from Contracts to Reserve Account	\$0	\$0	\$0
3. Less Excess Reserve to be Billed (enter as a negative amount)			\$0
4. Ending Balance on Last Year's Post-Audit CDFS 9530	\$0	\$0	\$0
THIS YEAR:			
5. Plus Interest Earned This Year on Reserve Funds			\$0
6. Less Transfers to Contracts from Reserve Account (column A must agree with this year's CDFS 9530-A, Section IV)			
CSPP - General			
Contract No.			\$0
Contract No.			0
CSPP - Professional Development			
Contract No.			\$0
Contract No.			0
Subtotal	\$0	\$0	\$0
Other Contracts			
Contract No.			\$0
Contract No.			0
Contract No.			0
Contract No.			0
Subtotal	\$0	\$0	\$0
Total Transferred to Contracts from Reserve Account	\$0	\$0	\$0
7. Ending Balance on June 30, 2018 (column A must agree with this year's CDFS 9530-A, Section IV)	\$0	\$0	\$0
COMMENTS - If necessary, attach additional sheets to explain adjustments:			

See accompanying auditors' reports and notes to supplementary information.

SAINT VINCENT'S DAY HOME

SCHEDULE OF REIMBURSABLE ADMINISTRATIVE COSTS FOR THE YEAR ENDED JUNE 30, 2018

	CCTR	CSPP	Total
Salaries	\$ 72,116	\$ 147,648	\$ 219,764
Payroll taxes and benefits	15,542	31,824	47,366
Office expense	1,642	3,362	5,004
Contractual services	8,188	16,761	24,949
Utilities and housekeeping	284	581	865
Maintenance supplies	245	501	746
Maintenance repairs	659	1,350	2,009
Office equipment repairs	845	1,730	2,575
Insurance	1,160	2,375	3,535
Property taxes	1,748	3,579	5,327
Lease	147	300	447
Advertising	8	16	24
Subscription/workshop/permit	556	1,137	1,693
Audit fee	7,962	16,301	24,263
Bookkeeping	787	1,613	2,400
Total administrative costs	<u>\$ 111,889</u>	<u>\$ 229,078</u>	<u>\$ 340,967</u>

See accompanying auditors' reports and notes to supplementary information.

SAINT VINCENT'S DAY HOME
AUDITED ATTENDANCE AND FISCAL REPORTS
FOR THE YEAR ENDED JUNE 30, 2018

SAINT VINCENT'S DAY HOME

**AUDITED ATTENDANCE AND FISCAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

AUDITED ATTENDANCE AND FISCAL REPORT for General or Migrant Center-Based Programs					
Agency Name: <u>Saint Vincent's Day Home</u>		Vendor No. <u>B363</u>			
Fiscal Year Ended: <u>June 30, 2018</u>		Contract No. <u>CCTR 7010</u>			
Independent Auditor's Name: <u>Vavrinek, Trine, Day & Co., LLP</u>					
SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A CUMULATIVE FISCAL YEAR PER FORM	COLUMN B AUDIT ADJUSTMENTS	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT	COLUMN D ADJUSTMENT FACTOR	COLUMN E ADJUSTED DAYS OF ENROLLMENT
<i>Infants (up to 18 months)</i>					
Full-time-plus			-	2.006	-
Full-time			-	1.700	-
Three-quarters-time			-	1.275	-
One-half-time			-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus			-	1.652	-
Full-time			-	1.400	-
Three-quarters-time			-	1.050	-
One-half-time			-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus			-	1.652	-
Full-time	7,274		7,274	1.400	10,183.600
Three-quarters-time			-	1.050	-
On-half-time			-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus			-	1.180	-
Full-time	2,066		2,066	1.000	2,066.000
Three-quarters-time			-	0.750	-
One-half-time			-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus			-	1.416	-
Full-time	458		458	1.200	549.600
Three-quarters-time			-	0.900	-
One-half-time			-	0.660	-
<i>Limited and Non-English Profic</i>					
Full-time-plus			-	1.298	-
Full-time	5,973		5,973	1.100	6,570.300
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.770	-
Full-time			-	1.500	-
Three-quarters-time			-	1.125	-
One-half-time			-	0.825	-
TOTAL DAYS OF ENROLLMENT	15,771	-	15,771		19,369.500
DAYS OF OPERATION	246		246		
DAYS OF ATTENDANCE	15,771	-	15,771		

NO NONCERTIFIED CHILDREN - Check box, omit page 2 & continue to Section III if no noncertified children were enrolled in the program.

Comments - If necessary, attach additional sheets to explain adjustments:

SAINT VINCENT'S DAY HOME

**AUDITED ATTENDANCE AND FISCAL REPORT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

AUDITED ATTENDANCE AND FISCAL REPORT for General or Migrant Center-Based Programs					
Agency Name: <u>Saint Vincent's Day Home</u>		Vendor No. <u>B363</u>			
Fiscal Year Ended: <u>June 30, 2018</u>		Contract No. <u>CCTR 7010</u>			
SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children.	COLUMN A CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	COLUMN B AUDIT ADJUSTMENTS	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT	COLUMN D ADJUSTMENT FACTOR	COLUMN E ADJUSTED DAYS OF ENROLLMENT PER AUDIT
DAYS OF ENROLLMENT					
<i>Infants (up to 18 months)</i>					
Full-time-plus			-	2.006	-
Full-time			-	1.700	-
Three-quarters-time			-	1.275	-
One-half-time			-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus			-	1.652	-
Full-time			-	1.400	-
Three-quarters-time			-	1.050	-
One-half-time			-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus			-	1.652	-
Full-time			-	1.400	-
Three-quarters-time			-	1.050	-
On-half-time			-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus			-	1.180	-
Full-time	110	-	110	1.000	110.000
Three-quarters-time			-	0.750	-
One-half-time			-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus			-	1.416	-
Full-time			-	1.200	-
Three-quarters-time			-	0.900	-
One-half-time			-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.770	-
Full-time			-	1.500	-
Three-quarters-time			-	1.125	-
One-half-time			-	0.825	-
TOTAL DAYS OF ENROLLMENT	110	-	110		110.000
Comments - If necessary, attach additional sheets to explain adjustments:					

SAINT VINCENT'S DAY HOME

**AUDITED ATTENDANCE AND FISCAL REPORT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

AUDITED ATTENDANCE AND FISCAL REPORT for General or Migrant Center-Based Programs			
Agency Name: <u>Saint Vincent's Day Home</u>		Vendor No. <u>B363</u>	
Fiscal Year End: <u>June 30, 2018</u>		Contract No. <u>CCTR 7010</u>	
	COLUMN A CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$63,343	\$24,596	\$87,939
County Maintenance of Effort (EC § 8279)	11,459	4,967	16,426
Uncashed Checks to Providers			-
Other (Specify):			-
Subtotal	\$74,802	\$ 29,563	\$104,365
Transfer from Reserve			-
Family Fees for Certified Children	34,745		34,745
Interest Earned on Apportionments			-
UNRESTRICTED INCOME			
Family Fees for Noncertified Children	1,302		1,302
Head Start Program (EC § 8235(b))			
Other (Specify):	2,708	3,943	6,651
TOTAL REVENUE	\$113,557	\$ 33,506	\$147,063
SECTION IV - REIMBURSABLE EXPENSES			
<i>Direct Payments to Providers (FCCH Only)</i>			
1000 Certificated Salaries	253,293		\$ 253,293
2000 Classified Salaries	450,401		450,401
3000 Employee Benefits	158,494	(23,555)	134,939
4000 Books and Supplies	56,404		56,404
5000 Services and Other Operating Expenses	118,807		118,807
6100/6200 Other Approved Capital Outlay			-
6400 New Equipment (program-related)			-
6500 Replacement Equipment (program-related)			-
Depreciation or Use Allowance	37,719		37,719
Start-Up Expenses (service level exemption)			-
Budget Impasse Credit			-
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			-
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$1,075,118	(\$23,555)	\$1,051,563
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$111,889		\$111,889
FOR CDE-A&I USE ONLY:			
Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:			
Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):			
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - Explain any discrepancies.		COMMENTS - If necessary, attach additional sheets to explain adjustments:	
Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO): <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - Explain any discrepancies.			

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box and omit page 4 if there are no supplemental revenues or expenses to report.

SAINT VINCENT'S DAY HOME

**AUDITED ATTENDANCE AND FISCAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

AUDITED ATTENDANCE AND FISCAL REPORT for California State Preschool Programs					
Agency Name:	Saint Vincent's Day Home	Vendor No.	B363		
Fiscal Year Ended:	June 30, 2018	Contract No.	CSPP 7026		
Independent Auditor's Name:	Vavrinek, Trine, Day & Co., LLP				

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus				1.1800	-
Full-time	9,944		9,944	1.0000	9,944.000
Three-quarters-time			-	0.7500	-
One-half-time			-	0.6195	-
<i>Exceptional Needs</i>					
Full-time-plus			-	1.4160	-
Full-time	2,595		2,595	1.2000	3,114.000
Three-quarters-time	106		106	0.9000	95.400
One-half-time			-	0.6195	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.2980	-
Full-time	23,670		23,670	1.1000	26,037.000
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6195	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.2980	-
Full-time	242		242	1.1000	266.200
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6195	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.7700	-
Full-time			-	1.5000	-
Three-quarters-time			-	1.1250	-
One-half-time			-	0.6195	-
TOTAL DAYS OF ENROLLMENT	36,557	-	36,557		39,456.600
DAYS OF OPERATION	246	-	246		
DAYS OF ATTENDANCE	36,557	-	36,557		

NO NONCERTIFIED CHILDREN - Check box, omit page 2 & continue to Section III if no noncertified children were enrolled in the program.

Comments - If necessary, attach additional sheets to explain adjustments:

SAINT VINCENT'S DAY HOME

**AUDITED ATTENDANCE AND FISCAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

AUDITED ATTENDANCE AND FISCAL REPORT for California State Preschool Programs					
Agency Name:	Saint Vincent's Day Home			Vendor No. B363	
Fiscal Year Ended:	June 30, 2018		Contract No. CSPP 7026		
SECTION II - NONCERTIFIED CHILDREN	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
Report all children who were not certified, but who were served at the same sites as certified	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
DAYS OF ENROLLMENT					
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus			-	1.6520	-
Full-time			-	1.4000	-
Three-quarters-time			-	1.0500	-
One-half-time			-	0.7700	-
<i>Three and Four Year Olds</i>					
Full-time-plus			-	1.1800	-
Full-time	544		544	1.0000	544.000
Three-quarters-time			-	0.7500	-
One-half-time			-	0.6195	-
<i>Exceptional Needs</i>					
Full-time-plus			-	1.4160	-
Full-time			-	1.2000	-
Three-quarters-time			-	0.9000	-
One-half-time			-	0.6195	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus			-	1.2980	-
Full-time			-	1.1000	-
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6195	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.2980	-
Full-time			-	1.1000	-
Three-quarters-time			-	0.8250	-
One-half-time			-	0.6195	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.7700	-
Full-time			-	1.5000	-
Three-quarters-time			-	1.1250	-
One-half-time			-	0.6195	-
TOTAL DAYS OF ENROLLMENT	544	-	544		544.000
Comments - If necessary, attach additional sheets to explain adjustments:					

SAINT VINCENT'S DAY HOME

**AUDITED ATTENDANCE AND FISCAL REPORT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

AUDITED ATTENDANCE AND FISCAL REPORT for California State Preschool Programs			
Agency Name: <u>Saint Vincent's Day Home</u>		Vendor No. <u>B363</u>	
Fiscal Year End: <u>June 30, 2018</u>		Contract No. <u>CSPP 7026</u>	
	COLUMN A CUMULATIVE FISCAL YEAR PER FORM CDES 8501	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
SECTION III - REVENUE			
RESTRICTED INCOME			
Child Nutrition Programs	\$127,828	(\$24,596)	\$103,232
County Maintenance of Effort (EC § 8279)	22,761	(4,967)	17,794
Uncashed Checks to Providers			-
Other (Specify):			-
Other (Specify):			-
Subtotal	\$150,589	\$ (29,563)	\$121,026
Transfer from Reserve - General			-
Transfer from Reserve - Professional Development			-
Subtotal	\$ -	\$ -	\$ -
Family Fees for Certified Children	83,105		83,105
Interest Earned on Apportionments			-
UNRESTRICTED INCOME			
Family Fees for Noncertified Children	1,600	2	1,602
Head Start Program (EC § 8235(b))	147,580		147,580
Other (Specify): <u>field trip fees and donated materials/food</u>	12,300	(3,945)	8,355
Other (Specify):			-
TOTAL REVENUE	\$395,174	\$ (33,506)	\$361,668
SECTION IV - REIMBURSABLE EXPENSES			
<i>Direct Payments to Providers (FCCH Only)</i>			\$ -
1000 Certificated Salaries	515,230		515,230
2000 Classified Salaries	918,039		918,039
3000 Employee Benefits	320,766	23,555	344,321
4000 Books and Supplies	115,170		115,170
5000 Services and Other Operating Expenses	242,640		242,640
6100/6200 Other Approved Capital Outlay			-
6400 New Equipment (<i>program-related</i>)			0
6500 Replacement Equipment (<i>program-related</i>)			0
Depreciation or Use Allowance	76,800		76,800
Start-Up Expenses (service level exemption)			-
Budget Impasse Credit			-
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			-
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$2,188,645	\$23,555	\$2,212,200
TOTAL ADMINISTRATIVE COSTS (included in section IV above)	\$229,078	\$0	\$229,078
FOR CDE-A&I USE ONLY:			
Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:			
Engenuity, enrollment, and attendance records are being maintained as required (check YES or NO): COMMENTS - If necessary, attach additional sheets to explain adjustments			
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - Explain any discrepancies. Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO): <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO - Explain any discrepancies.			

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box and omit page 4 if there are no supplemental revenues or expenses to report.
 AUD 8501, Page 3 of 4 (FY 2017-18) California Department of Education

SAINT VINCENT'S DAY HOME

**AUDITED ATTENDANCE AND FISCAL REPORT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

AUDITED ATTENDANCE AND FISCAL REPORT for California State Preschool Programs			
Agency Name:	<u>Saint Vincent's Day Home</u>	Vendor No.	<u>B363</u>
Fiscal Year End:	<u>June 30, 2018</u>	Contract No.	<u>CSPP 7026</u>
	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
SECTION V - SUPPLEMENTAL REVENUE			
Enhancement Funding			\$0
Other (Specify):			-
Other (Specify):			-
Other (Specify):			-
TOTAL SUPPLEMENTAL REVENUE	\$0	\$ -	\$0
SECTION VI - SUPPLEMENTAL EXPENSES			
EXPENSES RELATED TO SUPPLEMENTAL REVENUE			
1000 Certificated Salaries			\$0
2000 Classified Salaries	29,724	0	29,724
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses	1,700	0	1,700
6000 Equipment/Other Capital Outlay			-
Depreciation or Use Allowance			-
Indirect Costs			-
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable Capital Outlay (Bonus)			0
Other: e.g., Entertainment Expenses			-
Other (Specify):			-
Other (Specify):			-
TOTAL SUPPLEMENTAL EXPENSES	\$31,424	\$ -	\$31,424
COMMENTS - If necessary, attach additional sheets to explain adjustments:			

SAINT VINCENT'S DAY HOME

**AUDITED FISCAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

AUDITED FISCAL REPORT for Child Development Support Contracts				
Agency Name: <u>Saint Vincent Day Home</u>		Vendor No. <u>B363</u>		
Fiscal Year End: <u>June 30, 2018</u>		Contract No. <u>CPKS 7002</u>		
Multi-Year Contract? (Check "No" Box <input type="checkbox"/> or Enter Contract Period): No: <input checked="" type="checkbox"/> or Period: _____				
Independent Auditor's Name: <u>Vavrinek, Trine, Day & Co., LLP</u>				
	COLUMN A1 PRIOR YEAR'S AUD 9529 ENDING	COLUMN A2 CURRENT FISCAL YEAR PER	COLUMN B AUDIT ADJUSTMENT INCREASE OR	COLUMN C CUMULATIVE THROUGH CURRENT
SECTION I - REVENUE				
RESTRICTED INCOME				
Match Requirement				\$ -
County Maintenance of Effort (EC § 8279)				-
Other (Specify):				-
Other (Specify):				-
Subtotal	\$ -	\$ -	\$ -	\$ -
INTEREST EARNED ON APPORTIONMENTS				
UNRESTRICTED INCOME				
Other (Specify):				-
Other (Specify):				-
TOTAL REVENUE	\$ -	\$ -	\$ -	\$ -
SECTION II - REIMBURSABLE EXPENSES				
1000 Certificated Salaries				\$ -
2000 Classified Salaries				-
3000 Employee Benefits				-
4000 Books and Supplies	2,500			2,500
5000 Services and Other Operating Expenses				-
6100/6200 Other Approved Capital Outlay				-
6400 New Equipment (<i>program-related</i>)				-
6500 Replacement Equipment (<i>program-related</i>)				-
Depreciation or Use Allowance				-
Indirect Costs Rate: 0.00%				-
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	\$ 2,500	\$ 0	\$ -	\$ 2,500
TOTAL ADMINISTRATIVE COSTS (included in section				\$ -
FOR CDE-A&I USE ONLY:				
COMMENTS - If necessary, attach additional sheets to explain adjustments:				

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box & omit page 2 if there are no supplemental revenues or expenses to report.
AUD 9529, Page 1 of 2 (FY 2017-18) California Department of Education

SAINT VINCENT'S DAY HOME

NOTES TO SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

NOTE #1 - PURPOSE OF SCHEDULES

Combining Statement of Activities

The combining statement of activities is required by the California Department of Education. The combining statement of activities presents the individual program financial results of operation for each significant agency program.

Schedule of Expenditures of Federal and State Awards

The accompany schedule of expenditures of federal and state awards includes the federal and state grant activity of the Agency and is presented on the accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements. The Organization has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

Child Development Program Schedules

The child development program audited attendance and expenditure reports are prepared on the grant basis of accounting rather than the accrual basis of accounting and reconcile the grant reports for amounts received from the California Department of Education to the final audited amounts and the schedules of renovation and repair and equipment expenditures provides information about specific uses of state funds. The following differences between the grant basis of accounting and generally accepted accounting principles that may exist in these schedules are as follows:

- Capital outlay costs are expensed on grant reports and capitalized under generally accepted accounting principles.
- The child development program schedules do not present net assets released from restrictions and restricted revenues and expenditures in the same manner as they would be presented under generally accepted accounting principles.

Allowable Indirect Costs

Indirect costs are only applicable to the 1000-5000 series of general ledger expenditure accounts in the California School Accounting Manual. In accordance with CDE instructions, indirect costs cannot be charged on capital outlay expenditures in the 6000 series accounts.



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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**INDEPENDENT AUDITORS' 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
Saint Vincent's Day Home
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Saint Vincent's Day Home (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Saint Vincent's Day Home'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 Saint Vincent's Day Home's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Saint Vincent's Day Home's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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.

Vavrinek, Teme, Day & Co., LLP

Pleasanton, California
September 20, 2018



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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

Board of Directors
Saint Vincent's Day Home
Oakland, California

Report on Compliance for Each Major Federal Program

We have audited Saint Vincent's Day Home'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 Saint Vincent's Day Home's major federal programs for the year ended June 30, 2018. Saint Vincent's Day Home'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Saint Vincent's Day Home'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 Guidance Requirements, Cost Principles, and Audit Requirements for Federal Awards (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 Saint Vincent's Day Home'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 Saint Vincent's Day Home's compliance.

Opinion on Each Major Federal Program

In our opinion, Saint Vincent's Day Home 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, 2018.

Report on Internal Control Over Compliance

Management of Saint Vincent's Day Home 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 Saint Vincent's Day Home'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 Saint Vincent's Day Home'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 weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Vavrinek, Time, Day & Co., LLP

Pleasanton, California
September 20, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SAINT VINCENT’S DAY HOME

**SUMMARY OF AUDITORS’ RESULTS
FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None reported</u>
Type of auditors' report issued on compliance for major federal programs:	<u>Unmodified</u>
 Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	 <u>No</u>

Identification of major federal progr

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>93.596, 93,575</u>	<u>Child Development Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

SAINT VINCENT'S DAY HOME

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

None reported.

SAINT VINCENT'S DAY HOME

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

None reported.