

St. Mary's Center

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

June 30, 2025
(With Comparative Totals for 2024)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Mary's Center

Opinion

We have audited the accompanying financial statements of St. Mary's Center (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Mary's Center as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. Mary's Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information shown on pages 31 - 53 for California Department of Education is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited St. Mary's Center's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



San Francisco, California

December 15, 2025

St. Mary's Center
Statement of Financial Position
June 30, 2025
(With Comparative Totals for 2024)

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,446,045	\$ 7,380,696
Grants receivable	336,023	691,702
Other accounts receivable	2,400	201
Contributions receivable	257,400	218,950
Prepaid and other current assets	81,935	71,261
Investments	10,661,217	1,577,217
Total current assets	12,785,020	9,940,027
Property and equipment, net	9,322,088	9,031,258
Total assets	\$ 22,107,108	\$ 18,971,285
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 608,413	\$ 84,161
Accrued expenses	274,449	240,425
Deferred revenue	4,025,163	5,115,192
Refundable advance	778,190	404,076
Total current liabilities	5,686,215	5,843,854
Deferred rental income	890,151	900,000
Total liabilities	6,576,366	6,743,854
Net assets		
Without donor restrictions	15,193,242	11,965,375
With donor restrictions	337,500	262,056
Total net assets	15,530,742	12,227,431
Total liabilities and net assets	\$ 22,107,108	\$ 18,971,285

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

St. Mary's Center
Statement of Activities
For the Year Ended June 30, 2025
(With Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Revenues, gains, and other support				
Contributions	\$ 4,037,102	\$ 772,500	\$ 4,809,602	\$ 1,334,169
In-kind contributions	14,294	-	14,294	96,258
Government grants	2,512,534	-	2,512,534	2,710,059
Program service fees	170,406	-	170,406	159,402
Special events, net of expenses of \$84,345	27,013	-	27,013	80,751
Rental income	9,849	-	9,849	-
Investment income, net	165,845	-	165,845	107,020
Gain on sale of property and equipment	1,093,234	-	1,093,234	-
Net assets released from restriction	<u>697,056</u>	<u>(697,056)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>8,727,333</u>	<u>75,444</u>	<u>8,802,777</u>	<u>4,487,659</u>
Functional expenses				
Program services	4,050,550	-	4,050,550	3,934,803
Management and general	926,455	-	926,455	910,206
Fundraising	<u>522,461</u>	<u>-</u>	<u>522,461</u>	<u>410,353</u>
Total functional expenses	<u>5,499,466</u>	<u>-</u>	<u>5,499,466</u>	<u>5,255,362</u>
Change in net assets	3,227,867	75,444	3,303,311	(767,703)
Net assets, beginning of year	<u>11,965,375</u>	<u>262,056</u>	<u>12,227,431</u>	<u>12,995,134</u>
Net assets, end of year	<u>\$ 15,193,242</u>	<u>\$ 337,500</u>	<u>\$ 15,530,742</u>	<u>\$ 12,227,431</u>

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

St. Mary's Center
Statement of Functional Expenses
For the Year Ended June 30, 2025
(With Comparative Totals for 2024)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2025 Total</u>	<u>2024 Total</u>
Salaries and wages	\$ 2,045,745	\$ 378,301	\$ 353,475	\$ 2,777,521	\$ 2,833,044
Payroll taxes	166,563	29,821	28,675	225,059	237,863
Employee benefits	306,087	87,332	32,375	425,794	430,184
Direct program expense	494,338	7,182	1,254	502,774	346,740
Occupancy and facilities	426,610	4,721	4,109	435,440	408,773
Depreciation	381,851	14,931	7,460	404,242	381,709
Administrative expense	112,844	200,664	29,134	342,642	175,058
Legal and accounting fees	44,236	168,021	6,570	218,827	274,442
Other staffing expense	41,688	28,276	5,361	75,325	86,333
Marketing and advertising	-	-	48,466	48,466	31,747
Office expenses	28,705	5,807	5,324	39,836	45,835
Auto and travel	1,883	1,399	258	3,540	3,634
	<u>\$ 4,050,550</u>	<u>\$ 926,455</u>	<u>\$ 522,461</u>	<u>\$ 5,499,466</u>	<u>\$ 5,255,362</u>

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

St. Mary's Center
Statement of Cash Flows
For the Year Ended June 30, 2025
(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 3,303,311	\$ (767,703)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	404,242	381,709
Unrealized gains on investments	(51,954)	(10,982)
Gain on sale of property and equipment	(1,093,234)	-
Changes in operating assets and liabilities		
Grants receivable	355,679	(256,202)
Other accounts receivable	(2,199)	574
Contributions receivable	(38,450)	(415)
Employee Retention Tax Credit receivable	-	526,695
Prepaid and other current assets	(10,674)	(20,165)
Accounts payable	524,252	47,689
Accrued expenses	34,024	(43,357)
Deferred revenue	(1,090,029)	5,026,908
Refundable advance	374,114	404,076
Deferred rental income	<u>(9,849)</u>	<u>900,000</u>
Net cash provided by operating activities	<u>2,699,233</u>	<u>6,188,827</u>
Cash flows from investing activities		
Proceeds from sale of property and equipment	2,815,862	-
Purchases of property and equipment	(2,417,700)	(257,965)
Purchase of investments	(9,032,046)	(1,370,890)
Proceeds from redemptions of investments	<u>-</u>	<u>530,919</u>
Net cash used in investing activities	<u>(8,633,884)</u>	<u>(1,097,936)</u>
Net increase (decrease) in cash and cash equivalents	(5,934,651)	5,090,891
Cash and cash equivalents, beginning of year	<u>7,380,696</u>	<u>2,289,805</u>
Cash and cash equivalents, end of year	<u>\$ 1,446,045</u>	<u>\$ 7,380,696</u>

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

St. Mary's Center
Notes to Financial Statements
June 30, 2025

1. NATURE OF OPERATIONS

St. Mary's Center (the "Organization") is a non-profit corporation governed by a Board of Directors. St. Mary's Center is a community of hope, healing and justice dedicated to improving the well-being of Seniors and Preschool Families in West Oakland, California, by meeting basic needs for food, housing, and social connection. The Organization builds on a strong foundation of direct service provision with participant-led advocacy that amplifies the voices of people directly impacted by hunger, homelessness, and inequity, to create a more just and caring society. St. Mary's Center provides case management, housing navigation, transitional housing and community center services, as well as a full-day preschool.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

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

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

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time, as well as net assets subject to donor-imposed stipulations that require they be maintained in perpetuity. The Organization has no net assets required to be held in perpetuity as of June 30, 2025.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets are limited by donor-imposed restrictions. Contributions restricted by donors are reported as increases in net assets with donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations on restrictions on net assets are reported as net assets released from restrictions.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers highly-liquid investments with original maturities of three months or less to be cash equivalents. Cash equivalents maintained by the Organization include interest-bearing money market and savings accounts.

St. Mary's Center
Notes to Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants receivable

Grants receivable consist of amounts due from governmental agencies. Reserves for potential bad debts are maintained based on past experience and management's review of outstanding receivables. Amounts that are deemed uncollectible are charged to expense in the period collection efforts have been exhausted. There was no allowance for uncollectible grants receivable as of June 30, 2025, as management determined all accounts to be collectible.

Investments

Investments consist of mutual funds, U.S. treasury securities, and certificates of deposit and are recorded at fair value as determined primarily by quoted market prices in active markets. Investments received by donation are recorded at fair value at the date of donation.

Realized and unrealized gains and losses are recognized in the period in which they occur and are reported in the statement of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted by the donor. Dividend and interest income is recognized when earned.

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In determining fair value, the Organization uses various valuation approaches. A hierarchy has been established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- *Level 1* - quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- *Level 2* - quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the investment.

St. Mary's Center
Notes to Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

- *Level 3* - unobservable inputs for the asset or liability. Unobservable inputs reflect management's own assumptions about what the market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include management's own data.

Money market mutual funds and U.S. treasury securities are valued at the closing price reported from an actively traded exchange. The fair value of mutual funds and U.S. treasury securities are generally based on readily available quoted prices in active markets. The fair value of certificates of deposit is estimated using a discounted cash flow analysis based on current market interest rates for similar instruments. The carrying amount of certificates of deposit approximates fair value.

Property and equipment

Property and equipment are recorded at cost, or if donated, at fair value on the date of donation. The Organization capitalizes assets with a cost or donated value of \$2,500 or more and an estimated useful life greater than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets which range from 5 to 25 years (5 years for furniture and fixtures, vehicles, and computer equipment; 25 years for buildings; 5 to 25 years for building improvements).

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional; that is when the barrier has been overcome and right or release/right of return no longer exists. Contributions of assets other than cash are recorded at their estimated fair value. Contributions that are not expected to be collected until after year-end are considered contributions receivable. Contributions receivable with due dates extending beyond one year are recorded at fair value by discounting 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. As of June 30, 2025, contributions receivable totaled \$257,400 and are expected to be collected within one year. An allowance for uncollectible contributions receivable is established based upon management's judgment including such factors as prior collection history, aging statistics of contributions, and the nature of the receivable. At June 30, 2025, there was no allowance for uncollectible contributions receivable as all amounts were considered collectible.

St. Mary's Center
Notes to Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind contributions

In-kind contributions are recorded at the estimated fair value at the date the contribution is made. Contributed services are reflected in the financial statements at the fair value of the services received. Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization received \$14,294 in-kind contributions for the year ended June 30, 2025.

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

Government grants

Government grants are generally received under contracts from federal, state, county and city agencies. These contracts are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. The Organization has elected a simultaneous release option to accounts for these grants and contracts and thus are recorded as grants and contracts without donor restriction upon satisfaction of the barriers. Amounts received prior to incurring qualifying expenditures or performing the required services are reported as deferred revenue.

The Organization received conditional contributions related to government grants that have not been recognized in the statement of activities. At June 30, 2025, the Organization has been approved for cost reimbursable grants of approximately \$1,890,000 that have not been recognized because qualifying expenditures have not yet been incurred. The Organization received advanced payments under these government grant conditional contributions in the amount of \$1,415,418, which has been recognized on the statement of financial position as a component of deferred revenue as of June 30, 2025.

Program service fees

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

Concentrations of credit risk

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

St. Mary's Center
Notes to Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations of credit risk (continued)

The Organization receives a substantial amount of its support from federal, state, and local governments. As of June 30, 2025, 72% of grants receivable were comprised of amounts due from two governmental funders. Three governmental funders comprised 82% of the total government grant revenue for the year ended June 30, 2025. As of June 30, 2025, 97% of contributions receivable was comprised of an amount due from one donor. Three donors comprised 68% of the total contribution revenue for the year ended June 30, 2025.

Functional allocation of expenses

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

Income tax

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

The Organization has evaluated its current tax positions and has concluded that as of June 30, 2025, it does not have any uncertain tax positions for which a reserve would be necessary.

Use of estimates

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

Comparative financial information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements, as of, and for the year ended June 30, 2024, from which the summarized information was derived.

St. Mary's Center
Notes to Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

The Organization has evaluated subsequent events through December 15, 2025, the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Organization's financial statements.

Reclassifications

Certain reclassifications have been made to prior year balances to conform with current year presentation. These reclassifications had no impact on the previously reported change in net assets or ending net assets.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consisted of the following:

Cash equivalents	\$ 109,497
U.S. Treasury Bills	5,300,291
Money market mutual funds	2,731,544
Certificate of deposit	<u>2,519,885</u>
	<u>\$ 10,661,217</u>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
U.S. Treasury Bills	\$ 5,300,291	\$ -	\$ -	\$ 5,300,291
Money market mutual funds	2,731,544	-	-	2,731,544
Certificates of deposit	<u>-</u>	<u>2,519,885</u>	<u>-</u>	<u>2,519,885</u>
	<u>\$ 8,031,835</u>	<u>\$ 2,519,885</u>	<u>\$ -</u>	<u>\$10,551,720</u>

St. Mary's Center
Notes to Financial Statements
June 30, 2025

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Buildings	\$ 2,891,098
Land	4,449,093
Building improvements	3,483,667
Furniture and fixtures	212,963
Vehicles	81,586
Computer equipment	147,873
Construction in progress	<u>2,145,319</u>
	13,411,599
Less accumulated depreciation	<u>(4,089,511)</u>
	<u><u>\$ 9,322,088</u></u>

Depreciation expense amounted to \$404,242 for the year ended June 30, 2025.

In July 2024, the Organization purchased a property for a total purchase price of \$1,325,000. The property is being renovated and will be used for transitional housing. The cost of the property and the related costs of the renovations incurred as of June 30, 2025 are included in construction in progress until the property is placed into service.

In May 2025, the Organization sold one of its properties for total sales proceeds of approximately \$2,800,000. The Organization recognized a gain on the sale of the property in the amount of \$1,093,234 which represents the difference between the cash proceeds received and the net book value of the land, building and building improvements and furniture and fixtures at the date of sale.

5. EMPLOYEE RETENTION TAX CREDIT

The Employee Retention Tax Credit ("ERC"), a refundable tax credit against certain employment taxes allowed to an eligible employer for qualifying wages, was established by the Coronavirus Aid, Relief, and Economic Security Act and was subsequently amended through additional legislation. The fully refundable tax credit is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer after March 12, 2020 and before January 1, 2022.

St. Mary's Center
Notes to Financial Statements
June 30, 2025

5. EMPLOYEE RETENTION TAX CREDIT (continued)

During the year ended June 30, 2023, the Organization applied for and claimed ERC of \$1,407,689. The Organization had substantially met the program's eligibility conditions for Q4 2020 and Q1 2021, totaling \$526,695 and recognized ERC revenue and a ERC receivable as of and for the year ended June 30, 2023. The Organization is in the process of making amendments for ERC amounts claimed and for which the Organization was not determined to be eligible. During the year ended June 30, 2024, the Organization received ERC payments totaling \$930,771. Amounts collected in excess of the ERC recognized of \$404,076 was recorded as a refundable advance liability at June 30, 2024. During the year ended June 30, 2025, the Organization received additional ERC payments totaling \$374,114. The total amount collected in excess of the ERC recognized of \$778,190 is recorded as a refundable advance liability as of June 30, 2025.

The ERC program is subject to inspection and audit by the IRS. The purpose of such audits is to determine whether entities met eligibility requirements under the program and that funds were used in accordance with guidelines and regulations. While management believes the Organization met the ERC requirements for amounts recognized during the year ended June 30, 2023, it is possible that ERC funds recognized could ultimately be disallowed. The ultimate liability, if any, which may result from a governmental audit cannot be reasonably estimated and, accordingly, no provision for the possible disallowance of ERC credits has been recorded on the Organization's financial statements.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Restricted for a specified purpose	
Community outreach services	\$ 50,000
Preschool programs	25,000
Senior homeless services	<u>262,500</u>
	<u>\$ 337,500</u>

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

Time restrictions	\$ 126,667
Preschool programs	114,833
Community outreach services	105,000
Senior homeless services	306,600
Holiday season	30,000
Housing development consulting	<u>13,956</u>
	<u>\$ 697,056</u>

St. Mary's Center
Notes to Financial Statements
June 30, 2025

7. IN-KIND CONTRIBUTIONS

In-kind contributions were comprised of the following:

Air conditioner equipment	\$ 1,796
Gala auction items	<u>12,498</u>
	<u>\$ 14,294</u>

In-kind contributions valuation techniques

Gala auction items were primarily comprised of tickets for various experiences, and food and beverage. Gala auction items and the air conditioner equipment are valued at the fair value based on estimated values that would be received for selling similar products in the United States.

Donor restrictions and in-kind contributions use

The in-kind contributions received during the year ended June 30, 2025 included no donor restrictions. The donated air conditioner was utilized for the Organization's senior housing services and community outreach center and the contributed gala auction items were fully utilized for special events.

8. DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan (the "Plan") under Section 401(k) of the Internal Revenue Code, in which substantially all employees that have been employed for at least 6 months are eligible to participate. The Organization amended the Plan effective January 1, 2024 to allow for employer Safe Harbor contributions. The Organization will make Safe Harbor contributions to the Plan in an amount not less than 3% of eligible plan compensation. Employer contributions totaled \$82,382 for the year ended June 30, 2025.

St. Mary's Center
Notes to Financial Statements
June 30, 2025

9. COMMITMENTS AND CONTINGENCIES

Ground lease

In June 2024, the Organization entered into a ground lease agreement with Plaza Housing, L.P., a California limited partnership, to rent certain real property owned by the Organization. Per the terms of the agreement, Plaza Housing, L.P. has agreed to construct, at no cost to the Organization, approximately seventy-three units of housing to serve low, very low, and extremely low-income senior households plus approximately 2,800 gross square feet of ground floor office space and related improvements. In exchange for the construction, the Organization will lease the property to Plaza Housing, L.P. for a period of ninety-nine years. In consideration of the Organization's agreement to lease the property the Organization received a payment of \$900,000 which represents the market value of the leased property for the term of the lease. The \$900,000 payment was received on June 27, 2024 and was recorded as deferred rental income. The lease payment will be recognized into rental income over the ninety-nine year term of the lease effective July 1, 2024. During the year ended June 30, 2025, the Organization recognized \$9,849 in rental income.

SAHA project

The Organization entered into a Memorandum of Understanding ("MOU") with Satellite Affordable Housing Associates ("SAHA") in June 2020, and as subsequently amended in July 2023 and June 2024. The MOU is to memorialize an understanding between the Organization and SAHA regarding the timing and use of \$12,000,000 in State of California funding that was made through the Budget Act of 2022 as gap funding to support development and construction of the mixed-use affordable housing project at 3135 San Pablo Avenue in Oakland, California (the "Project"). The Project will be developed, owned and operated by Plaza Housing, L.P. The original award was provided to the Organization and was disbursed to SAHA as the funding administrator from the State Department of Housing & Community Development ("HCD"). Eligible uses of the award proceeds include the payment of hard and soft costs required to develop and construct the Project including architecture and engineering fees, environmental studies and remediation, City permit fees, construction costs, furniture, land payments and land holding costs. Per the terms of the MOU, the Organization was transferred \$2,500,000 from SAHA on June 26, 2024 for purposes of the Organization to make a loan to Plaza Housing, L.P. for the development of the Project. The \$2,500,000 in funding, plus accrued interest of \$109,745, is being reported as a component of deferred revenue until the funds are loaned to the Project. No loans were made to the project as of June 30, 2025.

St. Mary's Center
Notes to Financial Statements
June 30, 2025

9. COMMITMENTS AND CONTINGENCIES (continued)

Contracts

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

10. LIQUIDITY AND FUNDS AVAILABLE

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

The following is a quantitative disclosure which describes financial assets that are available within one year as of June 30, 2025 to fund general expenditures and other obligations when they become due:

Financial assets:

Cash and cash equivalents	\$ 1,446,045
Grants receivable	336,023
Other accounts receivable	2,400
Contributions receivable	257,400
Investments	<u>10,661,217</u>
	<u>12,703,085</u>

Less amounts not available to be used within one year:

Donor-imposed purpose restrictions	(337,500)
ERC funds held in deferred revenue	(778,190)
SAHA project development funds	(2,500,000)
Deferred rental income	<u>(890,151)</u>
	<u>(4,505,841)</u>
	<u>\$ 8,197,244</u>

SINGLE AUDIT REPORTS AND SCHEDULES



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

To the Board of Directors
St. Mary's Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of St. Mary's Center (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Armanino LLP".

San Francisco, California

December 15, 2025



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

To the Board of Directors
St. Mary's Center

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited St. Mary's Center (the "Organization")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization’s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Armanino LLP

San Francisco, California

December 15, 2025

St. Mary's Center
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>Expenditures of Federal Awards</u>			
U.S. Department of Agriculture			
Pass-through program from California Department of Education: Child and Adult Care Food Program	10.558		\$ 14,621
Total Child and Adult Care Food Program (CACFP)			<u>14,621</u>
Total U.S. Department of Agriculture			<u>14,621</u>
U.S. Department of Health and Human Services			
Pass-through program from County of Alameda: Block Grants for Prevention and Treatment of Substance Abuse	93.959		267,481
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		55,883
Grants to States for Medicaid	93.778		82,444
Block Grants for Community Mental Health Services	93.958		<u>225,229</u>
			<u>631,037</u>
Pass-through program from City of Oakland: Community Services Block Grant	93.569		<u>40,000</u>
Total U.S. Department of Health and Human Services			<u>671,037</u>
U.S. Department of Housing and Urban Development			
Pass-through program from City of Oakland: Emergency Solutions Grant Program	14.231		157,716
Moving to Work Demonstration Program	14.881		140,523
Continuum of Care Program	14.267		<u>267,145</u>
Total U.S. Department of Housing and Urban Development			<u>565,384</u>
Total Expenditures of Federal Awards			<u>1,251,042</u>
<u>Expenditures of State Awards</u>			
State of California			
Child Development Division California State Preschool Program (CSPP-4028)			<u>488,930</u>
Total Expenditures of State Awards			<u>488,930</u>
Total Expenditures of Federal and State Awards			<u>\$ 1,739,972</u>

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

St. Mary's Center
Notes to Schedule of Expenditures of Federal and State Awards
June 30, 2025

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of St. Mary's Center (the "Organization") under programs of the federal government and State of California for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the California Department of Education. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. INDIRECT COSTS

The de minimis indirect cost rate for federal awards issued on or after October 1, 2024 is 15% and for awards issued before October 1, 2024, the de minimis indirect cost rate is 10%. The Organization has not elected to use the de minimis indirect cost rate for federal awards as allowed under the Uniform Guidance. The Organization applies indirect costs in accordance with the specific terms of its federal award agreements.

St. Mary's Center
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing</u>
Continuum of Care Program	14.267
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

St. Mary's Center
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

St. Mary's Center
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

There were no prior year findings.

SUPPORTING SCHEDULES REQUIRED BY THE CALIFORNIA DEPARTMENT OF EDUCATION

APPENDIX A
CHILD CARE SUPPLEMENTAL INFORMATION

St. Mary's Center
Combining Statement of Activities
For the Year Ended June 30, 2025 and 2024

	California State Preschool Program <u>CSPP-4028</u>	Non-CDE Programs	2025 Total
Revenues, gains, and other support			
Contributions	\$ 122,411	\$ 4,687,191	\$ 4,809,602
In-kind contributions	-	14,294	14,294
Government grants	508,611	2,003,923	2,512,534
Program service fees	135,072	35,334	170,406
Special events, net of expenses of \$84,345	-	27,013	27,013
Rental income	-	9,849	9,849
Investment income, net	-	165,845	165,845
Gain on sale of property and equipment	-	1,093,234	1,093,234
Total revenues, gains, and other support	<u>766,094</u>	<u>8,036,683</u>	<u>8,802,777</u>
Expenses			
Salaries and wages	385,120	2,392,401	2,777,521
Payroll taxes	37,285	187,774	225,059
Employee benefits	93,072	332,722	425,794
Direct program expense	42,526	460,248	502,774
Occupancy and facilities	57,275	378,165	435,440
Depreciation	55,299	348,943	404,242
Administrative expense	45,184	297,458	342,642
Legal and accounting fees	107,936	110,891	218,827
Other staffing expense	13,773	61,552	75,325
Marketing and advertising	-	48,466	48,466
Office expenses	6,133	33,703	39,836
Auto and travel	413	3,127	3,540
Indirect expenses	73,462	(73,462)	-
Total expenses	<u>917,478</u>	<u>4,581,988</u>	<u>5,499,466</u>
Changes in net assets	<u>\$ (151,384)</u>	<u>\$ 3,454,695</u>	3,303,311
Net assets, beginning of year			<u>12,227,431</u>
Net assets, end of year			<u>\$ 15,530,742</u>

St. Mary's Center
Combining Schedule of Renovation and Repair Expenditures
For the Year Ended June 30, 2025 and 2024

	California State Preschool Program CSPP- 4028	Total
Unit cost under \$10,000		
None	\$ -	\$ -
	<u>-</u>	<u>-</u>
Unit cost over \$10,000 (with CDE Approval)		
None	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Unit cost over \$10,000 (without CDE Approval)		
None	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>

St. Mary's Center
Combining Schedule of Equipment Expenditures
For the Year Ended June 30, 2025 and 2024

	California State Preschool Program CSPP- 4028	Total
Capitalized equipment expensed on the AUD with prior written approval		
None	\$ -	\$ -
	-	-
Capitalized equipment expensed on the AUD without prior written approval		
None	-	-
	\$ -	\$ -
	-	-

St. Mary's Center
Combining Schedule of Administrative Costs
For the Year Ended June 30, 2025 and 2024

	California State Preschool Program CSPP- 4028	Total
	<u> </u>	<u> </u>
Salaries and wages	\$ 68,094	\$ 68,094
Employee benefits	15,720	15,720
Payroll taxes	5,368	5,368
Legal and accounting fees	30,244	30,244
Direct program expense	1,293	1,293
Occupancy and facilities	850	850
Administrative expenses	36,119	36,119
Other staffing expense	5,090	5,090
Office expense	1,045	1,045
Auto and travel	252	252
Depreciation on non CDE funded assets used in program	<u>2,687</u>	<u>2,687</u>
	<u>\$ 166,762</u>	<u>\$ 166,762</u>

St. Mary's Center
Combining Schedule of Expenditures by State Categories
For the Year Ended June 30, 2025 and 2024

		California State Preschool Program CSPP- 4028	Total
		<u>4028</u>	<u>Total</u>
1000	Certificated salaries	\$ 347,779	\$ 347,779
2000	Classified salaries	126,719	126,719
3000	Employee benefits	93,072	93,072
4000	Books and supplies	44,852	44,852
5000	Services and other operating expenses	176,295	176,295
	Depreciation	55,299	55,299
	Indirect - Administrative	<u>73,462</u>	<u>73,462</u>
		<u>917,478</u>	<u>917,478</u>
	Total expenditures by state categories	917,478	917,478
	Total of reimbursable and non-reimbursable expenditures	<u>\$ 917,478</u>	<u>\$ 917,478</u>

St. Mary's Center
Notes to Child Care Supplementary Information
For the Year Ended June 30, 2025 and 2024

In accordance with the applicable requirements from the Funding Terms & Conditions:

1. Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. No interest expense was claimed to a child development contract for the year ended June 30, 2025.
2. All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. No related party rent expense was claimed as a reimbursable expense for the year ended June 30, 2025.
3. Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2025.

APPENDIX B
AUDITED FINAL ATTENDANCE AND FISCAL REPORT FORMS

Contractor Name: St. Mary's Center

Contract Number: 4028

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

Fiscal Year Ended: June 30, 2025

Vendor Code: Q9910

Section 1 – Number of Counties Where Services are Provided

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

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

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

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4): 0

Total enrollment and attendance forms to attach: 2

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

Section 2 – Days of Enrollment, Attendance and Operation

Enrollment and Attendance Form Summary	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	0	0	0	0.0000
Total Certified Days of Enrollment with Mental Health Consultation Services	3,793	0	3,793	5,852.3000
Days of Attendance (including MHCS)	3,793	0	3,793	N/A
Total Non-Certified Days of Enrollment	0	0	0	0.0000
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000

Days of Operation	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Days of Operation	182		182	N/A

Section 3 – Revenue

Restricted Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Child Nutrition Programs		14,621	14,621
Exceptional Needs/Severely Disabled Service Level Exemption Credit			0
County Maintenance of Effort (EC Section 8260)			0
American Rescue Plan Act (ARPA)			0
Other: CA QRIS			0
Other:			0
TOTAL RESTRICTED INCOME	0	14,621	14,621

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

Other Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Family Fees for Certified Children	1,650	82	1,732
Interest Earned on Apportionment Payments			0
Unrestricted Income: Fees for Non-Certified Children			0
Unrestricted Income: Head Start	133,340		133,340
Other: Contributions	57,426	64,985	122,411

Section 4 - Reimbursable Expenses

Cost Category	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Direct Payments to Providers (FCCH only)			0
Direct Payments to Subcontractors: Cost of Care Plus & One-Time Allocations Only			0
1000 Certificated Salaries	333,854	13,925	347,779
2000 Classified Salaries	171,624	(44,905)	126,719
3000 Employee Benefits	93,054	18	93,072
4000 Books and Supplies	13,113	31,739	44,852
5000 Services and Other Operating Expenses	181,859	(5,564)	176,295
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
6600 Lease Assets (used in governmental funds only)			0
Depreciation or Use Allowance	65,063	(9,764)	55,299
Start-up Expenses (service level exemption)			0
Indirect Costs (included in Total Administrative Cost)	60,151	13,311	73,462
TOTAL REIMBURSABLE EXPENSES	918,718	(1,240)	917,478

Section 4 - Reimbursable Expenses (cont.)

Specific Items of Reimbursable Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Administrative Cost (included in Reimbursable Expenses)	191,934	(25,172)	166,762
Total Staff Training Cost (included in Reimbursable Expenses) <i>Total Program Closure Only (Management Bulletin 19-05)</i>			0
Total Exceptional Needs/Severely Disabled Service Level Exception Credit Expense (included in Reimbursable Expenses)			0

Section 5 - Supplemental Funding

Supplemental Revenue	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Enhancement Funding			0
Other: CA QRIS	5,060		5,060
Other:			0
TOTAL SUPPLEMENTAL REVENUE	5,060	0	5,060

Supplemental Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
1000 Certificated Salaries			0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses	5,060		5,060
6000 Equipment / Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses			0
TOTAL SUPPLEMENTAL EXPENSES	5,060	0	5,060

Section 6 - Summary

Description	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Certified Days of Enrollment (including MHCS)	3,793	0	3,793
Days of Operation	182	0	182
Days of Attendance (including MHCS)	3,793	0	3,793
Total Certified Adjusted Days of Enrollment	N/A	N/A	5,852.3000
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	0.0000
Restricted Program Income	0	14,621	14,621
Transfer from Preschool Reserve Account	0	0	0
Family Fees for Certified Children	1,650	82	1,732
Interest Earned on Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	918,718	(1,240)	917,478
Total Administrative Cost	191,934	(25,172)	166,762
Total Staff Training Cost	0	0	0
Total Exceptional Needs/Severely Disabled Service Level Exemption Credit Expenses (included in total Reimbursable Expenses)	0	0	0
Non-Reimbursable Cost (State Use Only)	N/A	N/A	

Section 7 – Auditor’s Assurances

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

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

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

Section 8 – Comments

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

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

Service County: Alameda

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Two Years Old and Three Years Old Full-time-plus			0	2.1240	0.0000
Two Years Old and Three Years Old Full-time			0	1.8000	0.0000
Two Years Old and Three Years Old Part-time			0	1.0827	0.0000
Four Years and Older Full-time-plus			0	1.1800	0.0000
Four Years and Older Full-time			0	1.0000	0.0000
Four Years and Older Part-time			0	0.6015	0.0000
Exceptional Needs Full-time-plus (Active IEP/IFSP Only)			0	2.8320	0.0000
Exceptional Needs Full-time (Active IEP/IFSP Only)			0	2.4000	0.0000
Exceptional Needs Part-time(Active IEP/IFSP Only)			0	1.4436	0.0000
Dual Language Learner Full-time-plus			0	1.4160	0.0000
Dual Language Learner Full-time			0	1.2000	0.0000
Dual Language Learner Part-time			0	0.6015	0.0000

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.6015	0.0000
Severely Disabled Full-time-plus (Active IEP/IFSP Only)			0	2.8320	0.0000
Severely Disabled Full-time (Active IEP/IFSP Only)			0	2.4000	0.0000
Severely Disabled Part-time (Active IEP/IFSP Only)			0	1.4436	0.0000
TOTAL CERTIFIED DAYS OF ENROLLMENT	0	0	0	N/A	0.0000

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
DAYS OF ATTENDANCE			0	N/A	N/A

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

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

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

Service County: Alameda

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Two Years Old and Three Years Old Full-time-plus			0	2.2240	0.0000
Two Years Old and Three Years Old Full-time	937		937	1.9000	1,780.3000
Two Years Old and Three Years Old Part-time			0	1.1827	0.0000
Four Years and Older Full-time-plus			0	1.2800	0.0000
Four Years and Older Full-time	1,906		1,906	1.1000	2,096.6000
Four Years and Older Part-time			0	0.7015	0.0000
Exceptional Needs Full-time-plus			0	2.9320	0.0000
Exceptional Needs Full-time	617		617	2.5000	1,542.5000
Exceptional Needs Part-time			0	1.5436	0.0000
Dual Language Learner Full-time-plus			0	1.5160	0.0000
Dual Language Learner Full-time	333		333	1.3000	432.9000
Dual Language Learner Part-time			0	0.7015	0.0000

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.3980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.2000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.7015	0.0000
Severely Disabled Full-time-plus			0	2.9320	0.0000
Severely Disabled Full-time			0	2.5000	0.0000
Severely Disabled Part-time			0	1.5436	0.0000
TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES	3,793	0	3,793	N/A	5,852.3000

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
DAYS OF ATTENDANCE	3,793		3,793	N/A	N/A

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

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

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

Service County: Alameda

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Two Years Old and Three Years Old Full-time-plus			0	2.1240	0.0000
Two Years Old and Three Years Old Full-time			0	1.8000	0.0000
Two Years Old and Three Years Old Part-time			0	1.0827	0.0000
Four Years and Older Full-time-plus			0	1.1800	0.0000
Four Years and Older Full-time			0	1.0000	0.0000
Four Years and Older Part-time			0	0.6015	0.0000
Exceptional Needs Full-time-plus			0	2.8320	0.0000
Exceptional Needs Full-time			0	2.4000	0.0000
Exceptional Needs Part-time			0	1.4436	0.0000
Dual Language Learner Full-time-plus			0	1.4160	0.0000
Dual Language Learner Full-time			0	1.2000	0.0000
Dual Language Learner Part-time			0	0.6015	0.0000

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.6015	0.0000
Severely Disabled Full-time-plus			0	2.8320	0.0000
Severely Disabled Full-time			0	2.4000	0.0000
Severely Disabled Part-time			0	1.4436	0.0000
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	0	0	0	N/A	0.0000

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

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

Service County: Alameda

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Two Years Old and Three Years Old Full-time-plus			0	2.2240	0.0000
Two Years Old and Three Years Old Full-time			0	1.9000	0.0000
Two Years Old and Three Years Old Part-time			0	1.1827	0.0000
Four Years and Older Full-time-plus			0	1.2800	0.0000
Four Years and Older Full-time			0	1.1000	0.0000
Four Years and Older Part-time			0	0.7015	0.0000
Exceptional Needs Full-time-plus			0	2.9320	0.0000
Exceptional Needs Full-time			0	2.5000	0.0000
Exceptional Needs Part-time			0	1.5436	0.0000
Dual Language Learner Full-time-plus			0	1.5160	0.0000
Dual Language Learner Full-time			0	1.3000	0.0000
Dual Language Learner Part-time			0	0.7015	0.0000

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.3980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.2000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.7015	0.0000
Severely Disabled Full-time-plus			0	2.9320	0.0000
Severely Disabled Full-time			0	2.5000	0.0000
Severely Disabled Part-time			0	1.5436	0.0000
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES	0	0	0	N/A	0.0000

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