
FAMILY EMERGENCY SHELTER COALITION

FINANCIAL STATEMENTS

June 30, 2015

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2014)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

FAMILY EMERGENCY SHELTER COALITION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Family Emergency Shelter Coalition
Hayward, California

Report on the Financial Statements

We have audited the accompanying financial statements of Family Emergency Shelter Coalition, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows and functional expenses 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.

Auditor's 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. 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 Family Emergency Shelter Coalition as of June 30, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Family Emergency Shelter Coalition's June 30, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015 on our consideration of Family Emergency Shelter Coalition'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the Family Emergency Shelter Coalition's financial statements. The Schedule of Alameda County Awards and Loans are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Alameda County Awards and Loans is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements in accordance with *Government Auditing Standards*. In our opinion, the Schedule of Alameda County Awards and Loans is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Certified Public Accountants
Oakland, California
December 3, 2015

FAMILY EMERGENCY SHELTER COALITION

Statement of Financial Position June 30, 2015 (With Comparative Totals as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 88,763	\$ 132,076
Grants receivable	154,764	90,937
Accounts receivable	1,106	808
Prepaid expenses	30,429	8,763
Total Current Assets	<u>275,062</u>	<u>232,584</u>
Property and equipment, net (Note 3)	2,012,078	2,012,621
Loan origination fees (Note 4)	1,212	1,279
Total Assets	<u>\$ 2,288,352</u>	<u>\$ 2,246,484</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 40,229	\$ 35,302
Accrued PTO	33,489	32,349
Rental deposits	4,726	8,080
Notes payable, current portion (Note 6)	6,742	6,510
Total Current Liabilities	<u>85,186</u>	<u>82,241</u>
Notes payable (Note 6)	1,895,681	1,865,772
Total Liabilities	<u>1,980,867</u>	<u>1,948,013</u>
Commitments and Contingencies (Notes 7 and 8)		
Net Assets		
Unrestricted	307,485	285,471
Temporarily restricted (Note 9)	-	13,000
Total Net Assets	<u>307,485</u>	<u>298,471</u>
Total Liabilities and Net Assets	<u>\$ 2,288,352</u>	<u>\$ 2,246,484</u>

See Notes to the Financial Statements

FAMILY EMERGENCY SHELTER COALITION

Statement of Activities For the Year Ended June 30, 2015 (With Comparative Totals for the Year Ended June 30, 2014)

	Unrestricted	Temporarily Restricted	Totals	
			2015	2014
Support and Revenue:				
Support				
Government grants	\$ 693,289	\$	\$ 693,289	\$ 633,929
Contributions	216,526	18,391	234,917	231,808
Foundation and corporate grants	189,192	5,000	194,192	164,530
Legacies and bequests	25,000		25,000	45,000
Forgiveness of debt			-	183,715
In kind support (Note 11)	79,958		79,958	59,966
Net assets released from restrictions (Note 9)	36,391	(36,391)	-	-
Total Support	1,240,356	(13,000)	1,227,356	1,318,948
Revenue				
Program fees	59,579		59,579	50,735
Interest and dividends	2,899		2,899	3
Miscellaneous	250		250	8,468
Total Revenue	62,728	-	62,728	59,206
Total Support and Revenue	1,303,084	(13,000)	1,290,084	1,378,154
Expenses				
Program	962,977		962,977	833,986
General and administration	216,699		216,699	313,153
Fundraising	101,394		101,394	127,019
Total Expenses	1,281,070	-	1,281,070	1,274,158
Change in net assets	22,014	(13,000)	9,014	103,996
Net Assets, beginning of year	285,471	13,000	298,471	194,475
Net Assets, end of year	\$ 307,485	\$ -	\$ 307,485	\$ 298,471

See Notes to the Financial Statements

FAMILY EMERGENCY SHELTER COALITION

**Statement of Cash Flows
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 9,014	\$ 103,996
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	80,215	78,584
Donated fixed asset	(44,527)	-
Loss on disposition of fixed assets	-	4,385
Deferred interest	36,655	36,655
Forgiveness of debt	-	(183,715)
Changes in assets and liabilities:		
Grants receivable	(63,827)	12,365
Accounts receivable	(298)	23,360
Prepaid expenses	(21,666)	7,174
Other assets	67	-
Accounts payable	4,927	15,837
Accrued PTO	1,140	11,332
Rental deposits	(3,354)	1,204
Net cash provided (used) by operating activities	(1,654)	111,177
Cash flows from investing activities:		
Purchase of fixed assets/improvements	(35,149)	(12,770)
Net cash used by investing activities	(35,149)	(12,770)
Cash flows from financing activities:		
Repayments of borrowing	(6,510)	(6,287)
Net cash used by financing activities	(6,510)	(6,287)
Cash and cash equivalents, beginning of year	132,076	39,956
Cash and cash equivalents, end of year	\$ 88,763	\$ 132,076
Supplemental information:		
Interest paid	\$ 36,678	\$ 42,960

See Notes to the Financial Statements

FAMILY EMERGENCY SHELTER COALITION

**Statement of Functional Expenses
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

	Program	General and Administration	Fundraising	Totals	
				2015	2014
Salaries	\$ 509,330	\$ 98,873	\$ 64,014	\$ 672,217	\$ 682,377
Employee benefits	137,646	19,804	17,300	174,750	109,911
Payroll taxes	38,077	7,391	4,786	50,254	50,795
Total Personnel	<u>685,053</u>	<u>126,068</u>	<u>86,100</u>	<u>897,221</u>	<u>843,083</u>
Legal fees	50	-	-	50	36,476
Accounting	-	11,500	-	11,500	26,941
Fees for service	6,863	175	3,624	10,662	26,413
Supplies	69,794	10,467	9,160	89,421	71,027
Telephone	7,435	3,616	-	11,051	11,181
Postage	125	867	59	1,051	1,388
Occupancy	41,019	20,176	761	61,956	53,211
Equipment rental and maintenance	26,874	9,542	-	36,416	25,872
Information technology	5,878	7,695	411	13,984	12,010
Copy and printing	-	302	495	797	4,185
Travel and meals	2,634	1,884	407	4,925	4,437
Conferences, conventions, meetings	897	2,199	277	3,373	-
Interest	36,655	23	-	36,678	42,960
Insurance	-	16,441	-	16,441	23,252
Dues, licenses, service fees	-	120	100	220	3,218
Bank fees, payroll services	35	3,818	-	3,853	2,385
Depreciation	79,665	550	-	80,215	78,584
Bad debt	-	1,256	-	1,256	3,150
Loss on disposition of assets	-	-	-	-	4,385
Total Expenses	<u>\$ 962,977</u>	<u>\$ 216,699</u>	<u>\$ 101,394</u>	<u>\$ 1,281,070</u>	<u>\$ 1,274,158</u>

See Notes to the Financial Statements

FAMILY EMERGENCY SHELTER COALITION

Notes to the Financial Statements For the Year Ended June 30, 2015 (With Comparative Totals for the Year Ended June 30, 2014)

NOTE 1: NATURE OF ACTIVITIES

Family Emergency Shelter Coalition (the Organization) was founded in 1986 by a coalition of area churches/community members to address their concerns about the growing number of families falling into homelessness in mid-Alameda County. The Organization is currently comprised of over 24 churches/community members from the cities of Hayward/Castro Valley/San Lorenzo/San Leandro. The Organization serves low/extremely low-income homeless families with housing - emergency, transitional, permanent – food, supportive services, and linkage to community resources to support its mission to assist homeless families move toward self-sufficiency and end their homelessness.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. There were no temporarily restricted net assets as of June 30, 2015.

Permanently restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of June 30, 2015.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the

FAMILY EMERGENCY SHELTER COALITION

Notes to the Financial Statements For the Year Ended June 30, 2015 (With Comparative Totals for the Year Ended June 30, 2014)

risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants and Accounts Receivable

The Organization considers all grants and accounts receivable to be fully collectible at June 30, 2015. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2015 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2015.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the 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. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

FAMILY EMERGENCY SHELTER COALITION

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability. Unobservable inputs reflect the Organization's own assumptions about the assumptions 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 the Organization's own data.

The Organization had no assets or liabilities recorded at fair value on June 30, 2015.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Building	30-40 years
Improvements	5-40 years
Furniture and equipment	5-10 years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable. Impairment is recognized if the sum of the undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

FAMILY EMERGENCY SHELTER COALITION

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

Other Assets

The Organization incurred fees and costs associated with obtaining a loan

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Prior Year Summarized 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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of December 3, 2015 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Land	\$ 231,000	\$ 231,000
Buildings and building improvements	2,749,482	2,685,434
Furniture, fixtures, and equipment	127,839	112,281
Less: accumulated depreciation	<u>(1,096,243)</u>	<u>(1,016,094)</u>
Total	<u>\$ 2,012,078</u>	<u>\$ 2,012,621</u>

NOTE 4: LOAN ORIGATION FEES

Loan origination fees consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Loan issuance costs	\$ 2,020	\$ 2,020
Less: Accumulated amortization	<u>(808)</u>	<u>(741)</u>
Total	<u>\$ 1,212</u>	<u>\$ 1,279</u>

FAMILY EMERGENCY SHELTER COALITION

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

NOTE 5: LINE OF CREDIT

As of June 30, 2015 the Organization had a \$100,000 unsecured line of credit with a local bank to be drawn down as needed, with interest of 4.00%. As of June 30, 2015, there was no outstanding balance.

NOTE 6: NOTES PAYABLE

Mortgage with the County of Alameda, secured by real estate at 3% interest, with deferred principal and interest to December 31, 2028.	\$ 471,819
Mortgage with the County of Alameda, secured by real estate at 3% interest as of July 1, 2002, with deferred principal and interest through January 1, 2030.	750,000
Non-interest bearing Affordable Housing Program (AHP) loan from the Federal Home Loan Bank of San Francisco administered through the Bank of the West; repayment due in the event of noncompliance during the fifteen year retention period ending April 14, 2018 and subject to AHP regulations.	64,000
Mortgage payable to Bank of the West secured by real estate, due in installments of \$998 per month including 7.5% interest until January, 2007 and then including adjustable interest not to exceed 12.5% and unpaid principal due through January 1, 2032. At June 30, 2014 the interest rate was 3.5%.	148,939
Plus accrued interest	467,665
Less current portion	<u>(6,742)</u>
Total long-term notes payable	<u>\$ 1,895,681</u>

The future scheduled maturities of long-term debt are as follows for the years ending June 30:

2016	\$ 6,742
2017	6,982
2018	71,230
2019	7,487
2020	7,754
Thereafter	<u>1,802,228</u>
Total	<u>\$ 1,902,423</u>

FAMILY EMERGENCY SHELTER COALITION

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

NOTE 7: COMMITMENTS

Operating Lease

The Organization leases a digital copier, telephone system, and three washers and dryers under operating lease agreements which expire at various dates. Future minimum operating lease payments are as follows for the years ending June 30:

2016	\$ 1,236
2017	1,236
2018	<u>824</u>
Total	<u>\$ 3,296</u>

Rent expense for the years ended June 30, 2015 and 2014 \$24,273 was and \$23,751, respectively.

NOTE 8: CONTINGENCIES

Limitations on Use of Property

Property renovated with funding and loans granted by the County of Alameda and the City of Hayward must remain in the use for which those funds were obtained. Should the Organization cease to occupy or modify the use of those facilities, the Organization must return the greater of the funds granted or the monies received from any purchaser of the facilities.

Compliance with Donor Restrictions

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that it has complied with the terms of all grants.

NOTE 9: TEMPORARILY RESTRICTED NET ASSETS

During the year ended June 30, 2015 temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows:

Children's Support League	\$ 8,000
Playground	10,000
Greg Smith Center	5,000
Beds and tables	9,391
Holiday food	<u>4,000</u>
Total	<u>\$ 36,391</u>

FAMILY EMERGENCY SHELTER COALITION

**Notes to the Financial Statements
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)**

NOTE 10: CONCENTRATIONS

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

NOTE 11: IN KIND SUPPORT

In-kind support consisted of the following during the year ended June 30:

	<u>2015</u>	<u>2014</u>
Goods	\$ 35,431	\$ 25,323
Playground improvements	44,527	-
Pro bono legal services	<u>-</u>	<u>34,643</u>
Total	<u>\$ 79,958</u>	<u>\$ 59,966</u>

**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**

INDEPENDENT AUDITORS' REPORT

Board of Directors
Family Emergency Shelter Coalition
Hayward, 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 Family Emergency Shelter Coalition (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report dated December 3, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Emergency Shelter Coalition'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 Family Emergency Shelter Coalition's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Family Emergency Shelter Coalition's internal control over financial reporting.

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 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 over financial reporting 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 financial reporting 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 Family Emergency Shelter Coalition's financial statements are free of 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 over compliance and the results of that testing, and do not provide an opinion on the effectiveness of the Organization's internal control or 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.



Certified Public Accountants
Oakland, California
December 3, 2015

FAMILY EMERGENCY SHELTER COALITION

**Schedule of Alameda County Awards and Loans
For the Year Ended June 30, 2015**

	Federal CFDA Number	Identification Number	Award or Loan Amount	Revenue Recognized
Federal Awards Passed Through Alameda County				
U.S. Department of Housing and Urban Development				
Passed through: Alameda County				
Emergency Solutions Grant	14.231	C-10629	\$ 56,355	\$ 56,355
Supportive Housing Program - Banyan	14.235	CA0094B9T021205	78,660	22,322
Supportive Housing Program - Banyan	14.235	CA0094L9T021306	78,660	62,097
Supportive Housing Program - Linkages	14.235	8611	29,609	29,419
Supportive Housing Program - Linkages	14.235	9855	40,577	14,944
Supportive Housing Program - Abode	14.235	CA0125L9T021205	14,118	10,453
Supportive Housing Program - Abode	14.235	CA0125L9T021306	14,028	2,219
Total Federal Awards Passed Through Alameda County			<u>\$ 312,007</u>	<u>\$ 197,809</u>
Federal Loans Passed Through Alameda County				
U.S. Dept. of Housing and Urban Development				
Passed through: Alameda County				
Supportive Housing Program	14.235		\$ 430,824	
Home Investment Partnership Program	14.239		502,400	
Federal Emergency Shelter Grant	14.231		20,128	
Community Development Block Grant	14.218		175,000	
Total Federal Loans Passed Through Alameda County			<u>1,128,352</u>	
Federal Loan Accrued Interest				
Passed through: Alameda County				
Supportive Housing Program	14.235		165,400	
Home Investment Partnership Program	14.239		191,756	
Federal Emergency Shelter Grant	14.231		68,250	
Community Development Block Grant	14.218		7,483	
Total Federal Loan Accrued Interest			<u>432,889</u>	
Total Federal Loans and Accrued Interest passed through Alameda County			<u>\$ 1,561,241</u>	
State of California Awards Passed Through Alameda County				
Passed through Alameda County				
Department of Social Services		900144	\$ 228,709	\$ 228,709
First Five		CB/CGI2013-15-03	40,000	20,000
Total State, City and County Awards Passed Through Alameda County			<u>\$ 268,709</u>	<u>\$ 248,709</u>
Alameda County Loans				
Alameda County Rental Rehabilitation Program	8051		\$ 93,466	
Alameda County Loan Accrued Interest				
Alameda County Rental Rehabilitation Program	8051		34,746	
Total Alameda County Loans and Accrued Interest			<u>\$ 128,212</u>	