



*Report of Independent Auditors and  
Financial Statements with  
Supplementary Information*

**Kidango, Inc.**

*June 30, 2018 with  
comparative totals for the year ended June 30, 2017*

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## **Report of Independent Auditors**

The Board of Directors  
Kidango, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Kidango, Inc., which comprise the statement of financial position, as of June 2018, and the related statements of activities and cash flows for the year then ended, and the related notes 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 opinions 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 Kidango, Inc., as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Prior Period Financial Statements***

The financial statements of Kidango, Inc., as of and for the year ended June 30, 2017, were audited by other auditors whose report thereon dated December 14, 2017, expressed an unmodified opinion on these statements.

### ***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 the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; combining statement of financial position, combining statement of revenue and expenditures and changes in net assets, combining statement of activities – operating programs; the supplemental information for the California Department of Education (CDE) presented on pages 29 to 72 as required by the *CDE Audit Guide* issued by the California Department of Education; and the supplemental information for the County of Alameda grants are presented for purposes of additional analysis and are 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 supplementary information is fairly presented, 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 November 14, 2018, on our consideration of Kidango, Inc.'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 solely 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 Kidango, Inc.'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 Kidango, Inc.'s internal control over financial reporting and compliance.

*Moss Adams LLP*

San Francisco, California  
November 14, 2018

## **Financial Statements**

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**Kidango, Inc.**  
**Statement of Financial Position**  
**June 30, 2018 (with comparative totals for 2017)**

	Unrestricted	Temporarily Restricted	Total June 30, 2018	Total June 30, 2017
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 7,456,078	\$ 377,445	\$ 7,833,523	\$ 1,481,681
Short-term investment	639	-	639	639
Grants and contributions receivable	3,947,159	-	3,947,159	2,642,076
Accounts receivable, net of allowance of \$210,244 and \$175,377, respectively	358,000	-	358,000	510,090
Receivable from related entities	85,969	-	85,969	101,328
Prepaid expenses	221,404	-	221,404	148,867
Total current assets	12,069,249	377,445	12,446,694	4,884,681
NET PROPERTY, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS	8,329,624	-	8,329,624	7,416,595
DEPOSITS	124,503	-	124,503	135,844
TOTAL ASSETS	<u>\$ 20,523,376</u>	<u>\$ 377,445</u>	<u>\$ 20,900,821</u>	<u>\$ 12,437,120</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current portion – capital lease	\$ 15,800	\$ -	\$ 15,800	\$ 14,518
Current portion – mortgage payable	169,046	-	169,046	262,458
Accounts payable and accrued expenses	3,518,266	-	3,518,266	2,711,495
Due to Funder	162,549	-	162,549	162,350
CDE Reserve	3,370,847	-	3,370,847	2,081,425
Total current liabilities	7,236,508	-	7,236,508	5,232,246
OBLIGATION UNDER CAPITAL LEASE	16,058	-	16,058	31,859
MORTGAGE PAYABLE	1,150,782	-	1,150,782	1,635,461
TOTAL LIABILITIES	8,403,348	-	8,403,348	6,899,566
NET ASSETS				
Unrestricted and undesignated	7,112,534	-	7,112,534	2,585,314
Equipment fund balance	5,007,494	-	5,007,494	2,914,177
Temporarily restricted	-	377,445	377,445	38,063
TOTAL NET ASSETS	12,120,028	377,445	12,497,473	5,537,554
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,523,376</u>	<u>\$ 377,445</u>	<u>\$ 20,900,821</u>	<u>\$ 12,437,120</u>

**Kidango, Inc.**  
**Statement of Activities**  
**Year Ended June 30, 2018 (with comparative totals for 2017)**

	Unrestricted	Temporarily Restricted	Total June 30, 2018	Total June 30, 2017
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Grants and contracts	\$ 34,467,988	\$ 971,470	\$ 35,439,458	\$ 28,825,279
Donations and contributions	536,875	133,300	670,175	303,733
Parent fees	2,369,847	-	2,369,847	2,820,786
Other earned income	879,324	-	879,324	715,742
Investment income:				
Realized/unrealized loss in investments	-	-	-	(1,625)
Interest and dividends	44,449	-	44,449	2,543
Net assets released from restrictions	765,388	(765,388)	-	-
<b>Total revenues, gains, and other support</b>	<b>39,063,871</b>	<b>339,382</b>	<b>39,403,253</b>	<b>32,666,458</b>
<b>EXPENSES AND LOSSES</b>				
Unrestricted and fundraising	3,202,950	-	3,202,950	1,658,576
Operating programs:				
California Dept. of Education Programs	26,575,400	-	26,575,400	21,996,473
School district grants	2,029,521	-	2,029,521	1,965,114
Subsidiary programs	977,551	-	977,551	900,775
Mental health and development services	3,899,770	-	3,899,770	3,465,200
Voucher programs	304,434	-	304,434	209,318
Head Start support services	3,348,904	-	3,348,904	2,199,511
Courthouse	433,260	-	433,260	585,260
Other programs	425,758	-	425,758	801,624
<b>Total expenses and losses</b>	<b>41,197,548</b>	<b>-</b>	<b>41,197,548</b>	<b>33,781,851</b>
<b>CHANGE IN NET ASSETS BEFORE DEPRECIATION AND OTHER NONOPERATING CHANGES</b>	<b>(2,133,677)</b>	<b>339,382</b>	<b>(1,794,295)</b>	<b>(1,115,393)</b>
Gain on disposal of assets	6,936,130	-	6,936,130	(36,311)
Depreciation expense	(291,543)	-	(291,543)	(314,081)
<b>CHANGE IN NET ASSETS</b>	<b>4,510,910</b>	<b>339,382</b>	<b>4,850,292</b>	<b>(1,465,785)</b>
Additions/deletions to equipment fund balances:				
Additions to equipment fund balances	2,522,349	-	2,522,349	482,473
Deletions to equipment fund balances	(412,722)	-	(412,722)	(498,783)
<b>NET ASSETS, beginning of year</b>	<b>5,499,491</b>	<b>38,063</b>	<b>5,537,554</b>	<b>7,019,649</b>
<b>NET ASSETS, end of year</b>	<b>\$ 12,120,028</b>	<b>\$ 377,445</b>	<b>\$ 12,497,473</b>	<b>\$ 5,537,554</b>



**Kidango, Inc.**  
**Statements of Cash Flows**  
**Year Ended June 30, 2018 (with comparative totals for 2017)**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,850,292	\$ (1,465,785)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation expenses	291,543	314,081
Net realized/unrealized gain on investments	-	1,625
Change in allowance for accounts receivable	34,867	-
Gain on disposal of assets	6,936,130	36,311
Change in assets and liabilities:		
Accounts receivable	117,223	(174,444)
Grants and contributions receivable	(1,305,083)	(470,716)
Receivable from related parties	15,359	(53,088)
Prepaid expense and other	(72,537)	(91,617)
Deposits	11,341	(105,646)
Accounts payable and accrued expenses	806,771	1,298,513
Due to funder	199	-
CDE reserve	1,289,422	675,170
Net cash provided by (used in) operating activities	<u>12,975,527</u>	<u>(35,596)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, equipment, and leasehold improvements	(2,457,608)	(600,430)
Proceeds on disposal of assets	(6,095,816)	98,891
Purchases charged to equipment net assets	<u>2,522,349</u>	<u>482,473</u>
Net cash used in investing activities	<u>(6,031,075)</u>	<u>(19,066)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on mortgage	(578,091)	(252,157)
Payments on capital lease	<u>(14,519)</u>	<u>(12,884)</u>
Net cash used in financing activities	<u>(592,610)</u>	<u>(265,041)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	6,351,842	(319,703)
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,481,681</u>	<u>1,801,384</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 7,833,523</u>	<u>\$ 1,481,681</u>
Supplemental cash flow information:		
Cash paid for interest	<u>\$ 63,302</u>	<u>\$ 87,855</u>

**NOTE 1 – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General** – Kidango, Inc. (the Agency), was founded as a nonprofit public benefit corporation on June 1, 1979, to provide quality, affordable early care and education services to children and families of all economic levels. The Agency is publicly funded, primarily by program contracts with the California Department of Education (CDE).

**Description of major operating programs** – The Agency operates child care centers that are designed to provide early care and education services for children and offers full-day and part-day child care services at its centers.

The Agency meets the nutritional needs of children by serving meals, including infant formula and baby food to children enrolled in its programs. The Agency also provides individualized meals to meet the special needs of children with disabilities or with allergies. All meals meet the nutritional requirements of the USDA Child Care Food Program.

The Agency provides early intervention services to infants with developmental delays and disabilities and their families. Services include parent training in their homes, integrated center-based services, and specialized therapies to meet the individual needs of the infants and toddlers.

The Agency provides mental health services to children who are in need of services due to family issues, behavior or other related reasons. Through this program, the Agency provides supportive services to teachers and families of children needing mental health services.

Other programs of the Agency include providing parenting education seminars, information and referrals to parents and members of the community, and assisting families in accessing community services such as emergency housing, food, and medical services.

**Basis of accounting** – The financial statements are prepared on the accrual basis of accounting. The Agency's net assets are reported as unrestricted net assets or temporary restricted net assets.

**Fund accounting** – To ensure observance of limitations and restrictions placed on the use of resources available to the Agency, the accounts of the Agency are maintained in accordance with the principals of fund accounting. Fund accounting is the procedure by which resources for the various programs are classified for accounting and reporting according to the activities and objectives specified by donors, granters, officials, and governing boards. Separate accounts are maintained for each fund.

**Basis of presentation** – The Agency reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the asset contributed. When a donor 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. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

*Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations.

## Kidango, Inc.

### Notes to Financial Statements

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*Temporarily restricted* – Temporarily restricted net assets are part of the net assets of the Agency resulting from contributions and other inflows of assets the use of which the Agency is limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations. At June 30, 2018 and 2017, there were \$377,445 and \$38,063 temporarily restricted net assets, respectively.

*Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they are to be maintained permanently by the Agency. Generally, the donor of such assets permits the Agency to use all or part of the income earned on the assets. For the years ended June 30, 2018 and 2017, there were no permanently restricted net assets.

**Fair value measurements** – The Agency determines the fair value of assets and liabilities consistent with a fair value framework that establishes a hierarchy for measuring fair value, and requires disclosures about the use of fair value measurements.

Fair value measurement reporting provides a consistent definition of fair value that focuses on an exit price, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement reporting also prioritizes the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three-level hierarchy for fair value measurements is defined as follows:

**Level 1** – Quoted prices in active markets for identical assets or liabilities.

**Level 2** – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

In certain cases, inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Agency's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

*Cash and cash equivalents* – The carrying amount reported in the statement of financial position for cash and cash equivalents approximates its fair value.

*Accounts receivable* – The carrying amount of accounts receivable is shown net of the related allowance for doubtful accounts. The allowance account is estimated by management based on a percentage of the balances greater than 120 days in the receivable aging report.

*Grants and contributions receivable* – The carrying amounts of grants and contributions receivable in the statement of financial position approximates fair value.

*Mortgage payable* – The carrying value of the Agency's debt approximates fair value because of the variable nature of market interest rates.

**Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net assets, and revenue and expenses for the reporting period. Actual results could differ from those estimates.

The Agency currently maintains an allowance for uncollectible accounts. The allowance is estimated based on management's evaluation of accounts. The Agency believes that amounts designated as uncollectible are reasonable.

**Concentration of credit risk** – Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of uninsured cash balances. The Agency places its cash deposits with high credit quality financial institutions. At times, balances in the Agency's cash accounts may exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. Uninsured balances at June 30, 2018 and 2017, were approximately \$7,834,000 and \$1,480,000, respectively.

**Concentration of revenue sources** – During the years ended June 30, 2018 and 2017, the Agency had one major revenue source, CDE, which accounted for approximately 67% of the total revenue of the Agency.

**Cash and cash equivalents** – Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of their acquisition date. Not included as cash equivalents are funds restricted as to their use, regardless of liquidity or the maturity dates of investments.

**Property, equipment, and leasehold improvements** – As further discussed in Note 4, the Agency reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. The Agency's current capitalization policy is \$5,000.

Property, equipment, and leasehold improvements are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the respective assets. Property and equipment purchased in connection with the CDE are expensed during the grant period. Title to CDE assets is retained by the State.

Assets purchased with grant funds that are expensed in the period acquired are recorded in the accompanying statement of financial position as an asset, with a corresponding entry to net assets. In order to reflect the decrease in value over time of these assets, depreciation is charged directly to net assets annually. These assets are restricted to use only in the programs from which they were purchased.

**Employee benefits** – Accumulated unpaid employee vacation benefits are recognized as a liability of the Agency. The maximum carryover vacation benefits are 240 hours. The total accrued liability at June 30, 2018 and 2017, of \$815,633 and \$596,640, respectively, is included in the statement of financial position. Sick leave benefits are accumulated for each employee. The employees do not gain vested rights to sick leave. Accumulated sick leave benefits are not recognized as liabilities of the Agency as payment of such benefits is not probable or estimable.

**Kidango, Inc.**  
**Notes to Financial Statements**

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**Revenue recognition** – Contributions and unconditional grants are recognized as support and revenues when they are received or unconditionally pledged. These contributions are shown as restricted support and revenues if they are subject to time or donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is accomplished, or both. However, temporarily restricted contributions and grants are reported as unrestricted support and revenues if the restriction is met in the same year that the gift is received.

Conditional contributions are not recorded as support and revenues until the conditions are met. Payments classified as exchange transactions (reciprocal transfers between two entities in which goods and services of equal value is exchanged) are not recorded as other support and revenue until allowable expenditures are incurred.

**Presentation of expenses** – The statement of activities contains information about the costs associated with the Agency's services and how it uses its resources. This results in the expenses being reported by the Agency's major programs after administrative costs have been allocated. The expenses of the Agency as shown by their functional and natural classification are as follows for the year ended June 30, 2018:

	Program Services	Management and General	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Salaries	\$ 18,567,417	\$ 2,953,021	\$ 21,520,438
Employee benefits	4,237,338	897,370	5,134,708
Books and supplies	2,258,084	205,616	2,463,700
Other operating	9,926,032	1,867,551	11,793,583
Capital expenditures	175,237	46,580	221,817
Depreciation and interest	106,716	248,129	354,845
	<u>\$ 35,270,824</u>	<u>\$ 6,218,267</u>	<u>\$ 41,489,091</u>

The expenses of the Agency as shown by their functional and natural classification are as follows for the year ended June 30, 2017:

	Program Services	Management and General	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Salaries	\$ 15,825,986	\$ 2,620,727	\$ 18,446,713
Employee benefits	3,675,523	846,267	4,521,790
Books and supplies	1,930,014	208,620	2,138,634
Other operating	7,304,905	1,142,953	8,447,858
Capital expenditures	67,992	70,767	138,759
Depreciation and interest	188,823	213,355	402,178
	<u>\$ 28,993,243</u>	<u>\$ 5,102,689</u>	<u>\$ 34,095,932</u>

**Allocation of expenses** – The costs of operating the various programs and other activities have been summarized on a functional basis in the combining statement of activities – operating programs. As further discussed in Note 10, certain costs have been allocated among the programs benefited based upon the Agency's cost allocation plan.

**Income taxes** – The Agency is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code, and Section 23701d of the State of California Revenue and Taxation Code.

Generally accepted accounting principles provide accounting guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Agency in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Agency's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

**Summarized financial information for 2017** – 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2017, from which the information was derived.

**New accounting pronouncements** – May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Updates (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (“ASU 2014-09”). The amendments in ASU 2014-09 affect any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). This ASU will supersede the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry-specific guidance, and creates a *Topic 606, Revenue from Contracts with Customers*. The adoption of ASU 2014-09 is effective for the Agency beginning July 1, 2019. Management is currently evaluating the impact of the provisions of ASU No. 2014-09 on the financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* (“ASU 2016-01”), which enhances the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The update addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. ASU 2016-01 is effective for the Agency for the fiscal year ending June 30, 2020. Management is currently evaluating the impact of the provisions of ASU 2016-01 on the financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (“ASU 2016-02”), which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements in the financial statements of lessees. ASU 2016-02 is effective for the Agency for the fiscal year ending June 30, 2020. Management is currently evaluating the impact of the provisions of ASU 2016-02 on the financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (“ASU 2016-14”), which improves the current net asset classification requirements and the information presented in financial statements and notes about an entity's liquidity, financial performance, and cash flows. The update removes the requirement to present three classes of net assets with two classes, net assets with donor restrictions and net assets without donor restrictions. The update also removes the requirement to present or disclose the indirect method (reconciliation) if using the direct method for the statement of cash flows as well as added several additional enhanced disclosures to the notes. ASU 2016-14 is effective for the Agency for the fiscal year ending June 30, 2019. Management is currently evaluating the impact of the provisions of ASU 2016-14 on the financial statements.

**Kidango, Inc.**  
**Notes to Financial Statements**

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In June 2018, the FASB issued ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (“ASU 2018-08”), which clarifies and improves the scope and accounting guidance around contributions of cash and other assets received and made by not-for-profit organizations and business enterprises. ASU 2018-08 is effective for the Agency for the fiscal year ending June 30, 2020. Management is currently evaluating the impact of the provisions of ASU 2018-08 on the financial statements.

**NOTE 2 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are part of the net assets of the Agency resulting from contributions and other inflows of assets the use of which by the Agency is limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations. At June 30, 2018 and 2017, respectively, the temporarily restricted net assets of the Agency consisted of the following:

	2018	2017
Foundation support	\$ 139,830	\$ 12,499
First Five programs	228,240	23,564
Other	9,375	2,000
	\$ 377,445	\$ 38,063

**NOTE 3 – NET ASSETS RELEASED FROM DONOR RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. For the years ended June 30, 2018 and 2017, respectively, temporarily restricted net assets released from restrictions were:

	2018	2017
Foundation support	\$ 669	\$ 31,085
County First Five programs	164,719	324,079
Other	600,000	57,000
	\$ 765,388	\$ 412,164

**NOTE 4 – PROPERTY, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS**

As of June 30, 2018 and 2017, respectively, the property, equipment, and leasehold improvements account consisted of the following:

	Useful life	2018	2017
Building	40	\$ 2,249,395	\$ 3,258,596
Building improvements	10-15	3,065,859	4,383,819
Portable buildings	20	2,722,884	1,046,015
Leasehold improvements	10-15	3,432,021	3,098,157
Equipment	3-5	1,290,499	1,310,775
Vehicles	5	547,704	502,030
Land	N/A	797,000	912,300
		14,105,362	14,511,692
Accumulated depreciation and amortization		(5,775,738)	(7,095,097)
Total property and equipment		\$ 8,329,624	\$ 7,416,595

Total depreciation expense for the years ended June 30, 2018 and 2017, was \$291,544 and \$314,081, respectively.

**NOTE 5 – LINE OF CREDIT**

On April 3, 2018, the Agency secured a line of credit with Fremont Bank in the amount of \$3,000,000 with a maturity date of April 3, 2020, and an interest rate of 5.750%. The interest rate currently varies with the bank's index rate. As of June 30, 2018, there was no outstanding balance on this line of credit.

For the year ended June 30, 2017, the Agency had three secured bank lines of credit with Fremont Bank in the amounts of \$1,300,000 and \$1,700,000, with maturity dates of December 2, 2017. The interest rate varied with the bank's index rate. At June 30, 2017, the interest rate on the lines of credit were 4.625% and there was no outstanding balance on the lines of credit.



**Kidango, Inc.**  
**Notes to Financial Statements**

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**NOTE 6 – MORTGAGE PAYABLE**

At June 30, 2018, the long-term debt of the Agency consisted of the following:

	<u>2018</u>	<u>2017</u>
Mortgage payable to bank, secured by deed of trust. Interest at 4.00% and principal are payable in monthly installments of approximately \$18,230. The note matures in May 2025.	\$ 1,319,828	\$ 1,482,226
Mortgage payable to bank, secured by deed of trust. Interest at 4.00% and principal are payable in monthly installments of approximately \$9,570 The note matures in May 2021.	-	415,693
Less current portion	<u>169,046</u>	<u>262,458</u>
Long-term mortgage payable	<u>\$ 1,150,782</u>	<u>\$ 1,635,461</u>

Future principal maturities on the mortgage is as follows:

<u>Year Ending June 30,</u>	
2019	\$ 169,045
2020	175,933
2021	183,100
2022	190,560
2023	198,324
Thereafter	<u>402,866</u>
	<u>\$ 1,319,828</u>

**NOTE 7 – CDE RESERVE ACCOUNT**

Child development contractors with the CDE are allowed, with prior CDE approval, to maintain a reserve account from earned but unexpended child development contract funds. Transfers from a reserve account are considered restricted income for child development programs, but may be applied to any of the contracts that are eligible to contribute to that particular program type.

The reserve account balance at June 30, 2018 and 2017, was \$3,370,847 and \$2,081,425, respectively, which is recorded as an asset in the cash account. Also, upon termination of all child development contracts with CDE, the Agency would have to return the reserve funds to CDE, so the reserve account is recorded as a liability in the amount of \$3,370,847 and \$2,081,425, at June 30, 2018 and 2017, respectively.

**NOTE 8 – NUTRITION PROGRAM**

The contractor had a nutrition agreement with the CDE for Child and Adult Care Food Programs, as reported in the schedule of expenditures of federal and state awards. However, no nutrition audit report schedules are included in the audit because (1) the audit disclosed no nutrition overpayments, underpayments, or program findings; (2) the contractor did not request reimbursement of audit costs; and (3) the audit is not a program-specific nutrition audit.

**NOTE 9 – 401(k) RETIREMENT PLAN**

The Agency maintains a contributory retirement plan available for its employees that allows participants to make tax deferred investment contributions. The plan qualifies under the provisions of Section 401(k) of the Internal Revenue Code of 1954, as amended. During the years ended June 30, 2018 and 2017, the Agency made no payments to the retirement plan.

**NOTE 10 – COST ALLOCATION PLAN**

The Agency updates its cost allocation plans annually or more frequently when there is a need due to changes in program enrollment or other cost drivers. The cost allocation plan is reviewed by the Agency's auditors for compliance with applicable laws and regulations. The Agency obtains approval of the cost allocation plan from its Board of Directors. The written cost allocation plan, including descriptions and percentages, is on file in the Agency's main accounting office. The Agency applies several methods for allocating costs:

**Direct costs** – Costs charged directly to final cost objectives that do not require any further allocation or breakdown to the classroom or project level are assignable as direct costs.

**Joint costs** – Costs that are directly attributable to multiple programs, classrooms, projects and/or administrative expenses. These costs can be estimated and directly assigned or are directly charged to an intermediate cost pool and subsequently allocated to the applicable programs, classrooms, and projects. Examples of joint costs include:

- Building repair costs that can be reasonably estimated to the classroom level based on the number of classrooms utilizing the building.
- Labor costs (including travel costs) associated with the repair.

**Indirect costs** – Costs that are 1) incurred for common or joint purposes benefiting more than one cost objective; and 2) not readily assignable to the cost objectives benefited without efforts disproportionate to the results achieved.

Indirect costs are allocated as follows:

- Payroll costs are allocated using individual time sheets that report the actual time spent by employees in each program each day.
- Rent and associated utilities, maintenance, and insurance are allocated using the square footage of building space occupied by each program, classroom, or project, according to floor plans and/or room measurements.

**Kidango, Inc.**  
**Notes to Financial Statements**

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- Office expenses and other operating costs are allocated based on full time employee equivalents.

**NOTE 11 – AFFILIATED ORGANIZATIONS**

Community Family Services, Inc. (CFS), is a nonprofit public benefit corporation that is affiliated with the Agency through a common Board of Directors. There is one interrelated transaction with this entity. CFS subcontracts its CDE child care program to the Agency. All of the financial information relating to the program mentioned above is reported on the books and in the audit report for CFS.

A summary of CFS financial data follows for the year ended June 30, 2018:

Total assets	\$	260,606
Total liabilities	\$	113,222
Total ending net assets	\$	147,384
Total revenue and support	\$	991,759
Total expenses	\$	<u>991,755</u>
Current year's change in net assets	\$	<u><u>4</u></u>

**NOTE 13 – SUBCONTRACT AGREEMENT**

The Agency entered into multiple subcontract agreements to operate general center child care programs and state preschool programs for the fiscal year ended June 30, 2018. These subcontracts are included in the schedule of expenditures of federal and state awards and the supplemental reporting requirements of the CDE in this audit report. The Agency received the following CDE contract funds under subcontract agreements for the year ended June 30, 2018 and 2017, respectively:

	<u>2018</u>	<u>2017</u>
School Districts:		
New Haven Unified School District	\$ 2,164,558	\$ 2,144,573
San Lorenzo Unified School District	208,528	184,447
Subsidiary Program:		
Community Family Services	<u>974,176</u>	<u>862,236</u>
	<u><u>\$ 3,347,262</u></u>	<u><u>\$ 3,191,256</u></u>

To further assist these programs, the Agency provided \$101,223 under its Child Care Food Program Agreement No. 01-1904-1A with CDE. Revenue of \$101,223 was reported as restricted income and \$101,223 of related expenses was reported as reimbursable expenses.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

**Commitments** – The Agency conducts some of its operations at leased facilities. Future minimum lease payments under non-cancelable operating leases are as follows:

<u>Year Ending June 30,</u>	
2019	\$ 612,218
2020	578,972
2021	510,506
2022	154,707
2023	<u>141,797</u>
	<u>\$ 1,998,200</u>

Total rent expense for the years ended June 30, 2018 and 2017, was \$660,174 and \$594,978, respectively.

**Contingencies** – Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Agency deems this contingency remote because by accepting the grants and their terms it has accommodated the objectives of the Agency to the provisions of the grants. Management is of the opinion that the Agency has complied with the terms of all grants.

**NOTE 15 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are available to be issued. The Agency recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position including estimates inherent in the process of preparing financial statements. The Agency's financial statements do not recognize subsequent events that provide additional evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date before the financial statements were available to be issued.

The Agency has evaluated subsequent events through November 14, 2018, which is the date the financial statements were available to be issued.

## **Supplementary Information**

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**Kidango, Inc.**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2018**

Grantor / Pass Through Grantor / or Program Title	Federal CFDA Number	Entity Identifying Number	Grant Award Amount			Expenditures or Earnings		
			Federal	State	Total	Federal	State	Total
U.S. Department of Health & Human Services:								
Pass-Through Program From:								
California Department of Education –								
General Child Care Center Pilot-SCC	93.596 / 93.575	CCTR - 7316	\$ 824,464	\$ 1,444,106	\$ 2,268,570	\$ 773,074	\$ 1,354,093	\$ 2,127,167
General Child Care Center Pilot-Alameda	93.596 / 93.575	CCTR - 7008	1,428,636	2,471,866	3,900,502	1,359,113	2,351,576	3,710,689
General Child Care Center	93.596 / 93.575	CCTR - 7007	64,072	107,322	171,394	64,072	107,322	171,394
Family Child Care Homes	93.596 / 93.575	CFCC - 7000	79,347	132,811	212,158	79,327	132,778	212,105
California State Preschool Pilot-SCC	93.596 / 93.575	CSPP - 7703	662,788	7,062,423	7,725,211	511,387	5,449,154	5,960,541
California State Preschool Pilot-Alameda	93.596 / 93.575	CSPP - 7015	1,001,616	9,424,718	10,426,334	951,926	8,957,162	9,909,088
California State Preschool	93.596 / 93.575	CSPP - 7014	192,856	1,087,904	1,280,760	133,829	754,934	888,763
New Haven Unified School District								
California State Preschool	--	CSPP - 7018	-	2,164,558	2,164,558	-	1,734,659	1,734,659
San Lorenzo Unified School District								
California State Preschool	--	CSPP - 7021	-	208,528	208,528	-	207,076	207,076
Fremont Unified School District								
Cal-Safe	--		-	100,000	100,000	-	14,563	14,563
Community Family Services, Inc.								
Family Child Care Homes	93.596 / 93.575	CFCC - 7023	364,344	609,832	974,176	359,140	601,121	960,261
		Subtotal CCDF Cluster Program:	4,618,123	24,814,068	29,432,191	4,231,868	21,664,438	25,896,306
Child, Family & Community Services, Inc.								
Early Head Start	93.600	3/1/17 - 2/29/18	119,167	-	119,167	18,417	-	18,417
Head Start	93.600	3/1/17 - 2/29/18	244,517	-	244,517	150,542	-	150,542
Early Head Start	93.600	3/1/18 - 2/29/19	119,167	-	119,167	-	-	-
Head Start	93.600	3/1/18 - 2/29/19	244,517	-	244,517	80,968	-	80,968
Community Assoc. for Preschool Education								
Early Head Start	93.600	3/1/17 - 2/28/18	412,800	-	412,800	275,200	-	275,200
Early Head Start	93.600	3/1/18 - 2/29/19	412,800	-	412,800	137,600	-	137,600
Office of Head Start								
Early Head Start	93.600	09HP000106-01-00	2,074,926	-	2,074,926	1,538,482	-	1,538,482
Santa Clara County Office of Education								
Head Start	93.600	18-0285	714,876	-	714,876	685,985	-	685,985
Early Head Start	93.600	18-0285	64,000	-	64,000	57,000	-	57,000
YMCA of the Central Bay Area / ECE								
Head Start	93.600	07/01/17 - 06/30/18	331,885	-	331,885	268,271	-	268,271
Early Head Start	93.600	07/01/17 - 06/30/18	185,601	-	185,601	142,018	-	142,018
		Subtotal Head Start Program:	4,924,256	-	4,924,256	3,354,483	-	3,354,483

**Kidango, Inc.**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended June 30, 2018**

Grantor / Pass Through Grantor / or Program Title	Federal CFDA Number	Entity Identifying Number	Grant Award Amount			Expenditures or Earnings		
			Federal	State	Total	Federal	State	Total
County of Alameda								
Mental Health Services	--	900186	-	723,517	723,517	-	661,852	661,852
CAPS	--	900186	-	69,384	69,384	-	69,360	69,360
Santa Clara County								
Mental Health Services	--	2440	-	1,775,198	1,775,198	-	1,460,551	1,460,551
Mental Health Consultation		PB 138092	-	244,956	244,956	-	244,956	244,956
Total U.S. Department of Health and Human Services			<u>\$ 9,542,379</u>	<u>\$ 27,627,123</u>	<u>\$ 37,169,502</u>	<u>\$ 7,586,351</u>	<u>\$ 24,101,157</u>	<u>\$ 31,687,508</u>
U.S. Department of Agriculture								
Pass-Through Program From:								
California Department of Education								
Child and Adult Care Food Program	10.558	01-1904-1A	<u>\$ 1,396,069</u>	<u>\$ -</u>	<u>\$ 1,396,069</u>	<u>\$ 1,396,069</u>	<u>\$ -</u>	<u>\$ 1,396,069</u>
Total U.S. Department of Agriculture			<u>\$ 1,396,069</u>	<u>\$ -</u>	<u>\$ 1,396,069</u>	<u>\$ 1,396,069</u>	<u>\$ -</u>	<u>\$ 1,396,069</u>
Total Federal and State Awards			<u>\$ 10,938,448</u>	<u>\$ 27,627,123</u>	<u>\$ 38,565,571</u>	<u>\$ 8,982,420</u>	<u>\$ 24,101,157</u>	<u>\$ 33,083,577</u>

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Kidango, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement.

**NOTE 2 – SUBRECIPIENTS**

The Agency did not provide any federal awards to subrecipients during the year ended June 30, 2018.

**NOTE 3 – DE MINIMIS COST RATE**

The Agency used the 10% de minimis cost rate for their financial statements.

**Kidango, Inc.**  
**Combining Statement of Financial Position**  
**June 30, 2018 (with comparative totals for 2017)**

	Unrestricted and Building Fund	Operating Programs	Temporarily Restricted	Total All Funds	
				June 30, 2018	June 30, 2017
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 7,456,078	\$ -	\$ 377,445	\$ 7,833,523	\$ 1,481,681
Short-term investment	639	-	-	639	639
Grants and contributions receivable	-	3,947,159	-	3,947,159	2,642,076
Accounts receivable, net of allowance of \$210,244 and \$175,377, respectively	218,084	139,916	-	358,000	510,090
Receivable from related entities	-	85,969	-	85,969	101,328
Prepaid expenses	221,404	-	-	221,404	148,867
Total current assets	7,896,205	4,173,044	377,445	12,446,694	4,884,681
NET PROPERTY, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS	8,329,624	-	-	8,329,624	7,416,595
DEPOSITS	124,503	-	-	124,503	135,844
<b>TOTAL ASSETS</b>	<b>\$ 16,350,332</b>	<b>\$ 4,173,044</b>	<b>\$ 377,445</b>	<b>\$ 20,900,821</b>	<b>\$ 12,437,120</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Current portion – capital lease	\$ 15,800	\$ -	\$ -	\$ 15,800	\$ 14,518
Current portion – mortgage payable	169,046	-	-	169,046	262,458
Accounts payable and accrued expenses	3,518,266	-	-	3,518,266	2,711,495
Due to Funder	-	162,549	-	162,549	162,350
Due to/(from) other funds	(639,648)	639,648	-	-	-
COE Reserve	-	3,370,847	-	3,370,847	2,081,425
Total current liabilities	3,063,464	4,173,044	-	7,236,508	5,232,246
OBLIGATION UNDER CAPITAL LEASE	16,058	-	-	16,058	31,859
MORTGAGE PAYABLE	1,150,782	-	-	1,150,782	1,635,461
NET ASSETS	12,120,028	-	377,445	12,497,473	5,537,554
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 16,350,332</b>	<b>\$ 4,173,044</b>	<b>\$ 377,445</b>	<b>\$ 20,900,821</b>	<b>\$ 12,437,120</b>



**Kidango, Inc.**  
**Combining Statements of Revenue and Expenditures and Changes in Net Assets**  
**Year Ended June 30, 2018 (with comparative totals for 2017)**

	Unrestricted and Building Fund	Operating Programs (page 23)	Total All Funds	
			June 30, 2018	June 30, 2017
<b>REVENUE</b>				
Grants:				
State Department of Education	\$ -	\$ 22,979,750	\$ 22,979,750	\$ 17,923,573
School District revenue	-	1,956,297	1,956,297	1,860,786
Child and Adult Care Food Programs	-	1,396,069	1,396,069	1,380,087
Head Start/Early Head Start	-	3,609,798	3,609,798	2,437,963
Subsidiary programs	-	960,261	960,261	855,471
Community Dev. Block Grant	-	-	-	13,800
Regional Center revenue	-	1,087,146	1,087,146	986,091
Voucher payments	-	263,151	263,151	252,042
County contracts	-	2,741,494	2,741,494	2,591,977
Other City income	-	55,327	55,327	55,327
First Five revenue	-	184,085	184,085	591,034
Parent fees	-	2,369,847	2,369,847	2,820,786
Other earned Income	879,322	-	879,322	715,742
Investment income	44,449	-	44,449	918
Donations and fundraising	157,702	321,756	479,458	224,553
Rental income	-	-	-	-
Other income	12,417	45,000	57,417	77,180
<b>Total revenue</b>	<b>1,093,890</b>	<b>37,969,981</b>	<b>39,063,871</b>	<b>32,787,330</b>
<b>EXPENDITURES</b>				
Salaries	211,932	21,308,507	21,520,439	18,446,713
Payroll taxes	29,486	1,700,099	1,729,585	1,509,626
Employee benefits	44,779	3,360,345	3,405,124	3,012,164
Books and supplies	433,015	2,029,685	2,462,700	2,138,634
Professional services	64,852	4,979,321	5,044,173	3,449,212
Occupancy expense	26,963	2,378,610	2,405,573	2,099,686
Other expenses	2,330,384	2,014,454	4,344,838	2,898,960
Equipment and capital improvements	2,972	218,845	221,817	138,759
Interest expense	58,567	4,732	63,299	88,097
Fundraising expense	-	-	-	-
<b>Total expenses</b>	<b>3,202,950</b>	<b>37,994,598</b>	<b>41,197,548</b>	<b>33,781,851</b>
<b>CHANGE IN NET ASSETS BEFORE DEPRECIATION AND OTHER NONOPERATING CHANGES</b>				
Gain/(loss) on disposal of assets	(2,109,060)	(24,617)	(2,133,677)	(994,521)
Depreciation expense	6,936,130	-	6,936,130	(36,311)
	(36,534)	(255,009)	(291,543)	(314,081)
<b>CHANGE IN NET ASSETS</b>	<b>4,790,536</b>	<b>(279,626)</b>	<b>4,510,910</b>	<b>(1,344,913)</b>
Additions/deletions to net assets:				
Transfers	(279,626)	279,626	-	-
Additions to equipment net assets	2,522,349	-	2,522,349	482,473
Depreciation to equipment net assets	(412,722)	-	(412,722)	(498,783)
<b>NET ASSETS, beginning of year – unrestricted</b>	<b>5,499,491</b>	<b>-</b>	<b>5,499,491</b>	<b>6,860,714</b>
<b>NET ASSETS, end of year – unrestricted</b>	<b>\$ 12,120,028</b>	<b>\$ -</b>	<b>\$ 12,120,028</b>	<b>\$ 5,499,491</b>

**Kidango, Inc.**  
**Combining Statement of Activities – Operating Programs**  
**Year Ended June 30, 2018**

	Operating Programs								Total All Funds June 30, 2018
	California Dept. of Education Programs	School District Grants	Subsidiary Program	Mental Health and Developmental Services	Voucher Programs	Head Start Support Services	Courthouse	Other Programs	
<b>REVENUE</b>									
Grants:									
State Department of Education	\$ 22,979,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,979,750
School District revenue	-	1,956,297	-	-	-	-	-	-	1,956,297
Child and Adult Care Food Programs	1,294,846	101,223	-	-	-	-	-	-	1,396,069
Head Start/Early Head Start	-	-	-	244,956	-	3,364,842	-	-	3,609,798
Community Family Services	-	-	960,261	-	-	-	-	-	960,261
Community Dev. Block Grant	-	-	-	-	-	-	-	-	-
Regional Center revenue	-	-	-	1,087,146	-	-	-	-	1,087,146
Voucher payments	-	-	-	-	263,151	-	-	-	263,151
County contracts	-	-	-	2,237,459	-	-	435,453	68,582	2,741,494
Other City income	-	-	-	55,327	-	-	-	-	55,327
First Five revenue	-	-	-	-	-	-	-	184,085	184,085
Parent fees	2,350,502	-	17,579	-	1,766	-	-	-	2,369,847
Other earned Income	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Donations and fundraising	-	-	-	-	-	-	-	321,756	321,756
Rental income	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	45,000	45,000
<b>Total revenue</b>	<b>26,625,098</b>	<b>2,057,520</b>	<b>977,840</b>	<b>3,624,888</b>	<b>264,917</b>	<b>3,364,842</b>	<b>435,453</b>	<b>619,423</b>	<b>37,969,981</b>
<b>EXPENDITURES</b>									
Salaries	14,396,146	1,331,562	224,130	2,686,127	207,479	1,955,629	319,553	187,881	21,308,507
Payroll taxes	1,157,875	100,565	15,723	214,982	18,166	157,279	25,308	10,201	1,700,099
Employee benefits	2,369,052	216,853	28,760	350,331	36,103	298,168	47,130	13,948	3,360,345
Books and supplies	1,591,543	140,996	1,574	54,068	8,853	173,316	11,640	47,695	2,029,685
Professional services	3,949,470	41,943	697,011	126,703	7,626	136,367	8,404	11,797	4,979,321
Occupancy expense	1,715,149	135,403	6,720	239,686	17,568	214,078	4,602	45,404	2,378,610
Other expenses	1,273,974	53,457	2,981	183,877	7,562	374,050	15,459	103,094	2,014,454
Equipment and capital improvements	118,736	8,500	640	43,452	1,029	39,651	1,105	5,732	218,845
Interest expense	3,455	242	12	544	48	366	59	6	4,732
Fundraising expense	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>26,575,400</b>	<b>2,029,521</b>	<b>977,551</b>	<b>3,899,770</b>	<b>304,434</b>	<b>3,348,904</b>	<b>433,260</b>	<b>425,758</b>	<b>37,994,598</b>
<b>CHANGE IN NET ASSETS BEFORE DEPRECIATION</b>	<b>49,698</b>	<b>27,999</b>	<b>289</b>	<b>(274,882)</b>	<b>(39,517)</b>	<b>15,938</b>	<b>2,193</b>	<b>193,665</b>	<b>(24,617)</b>
Depreciation expense	(208,010)	(14,937)	(289)	(12,905)	(8,743)	(8,622)	(1,360)	(143)	(255,009)
<b>CHANGE IN NET ASSETS</b>	<b>\$ (158,312)</b>	<b>\$ 13,062</b>	<b>\$ -</b>	<b>\$ (287,787)</b>	<b>\$ (48,260)</b>	<b>\$ 7,316</b>	<b>\$ 833</b>	<b>\$ 193,522</b>	<b>\$ (279,626)</b>

## **Report of Independent Auditors 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  
Kidango, Inc.

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 Kidango, Inc., which comprise the statement of financial position as of June 30, 2018, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2018.

### **Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Kidango, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Moss Adams LLP*

San Francisco, California

November 14, 2018

## **Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Directors  
Kidango, Inc.

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

We have audited Kidango, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each major federal program for the year ended June 30, 2018. Kidango, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

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

In our opinion, Kidango, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2018.

## Report on Internal Control over Compliance

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

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

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

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

*Moss Adams LLP*

San Francisco, California  
November 14, 2018

**Supplemental Information for the  
California Department of Education**

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**Kidango, Inc.**  
**General Information (Unaudited)**  
**Year Ended June 30, 2018**

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Agency Name: Kidango, Inc.

Address of Agency: 44000 Old Warm Springs Boulevard  
Fremont, California 94538

Type of Agency: California Nonprofit Public Benefit Corporation

California Department of Education, Project Numbers:

CCTR-7316	General Child Care Center	CSPP-7703	California State Preschool
CCTR-7008	General Child Care Center	CSPP-7015	California State Preschool
CCTR-7007	General Child Care Center	CSPP-7014	California State Preschool
CFCC-7000	Family Child Care Homes	01-1904-1A	Child Care Food Program

Executive Officers:

President	Shams Tabrez
First Vice-President	Zelica Rodriguez-Deams
Second Vice-President	Ronald Towns
Secretary	John M. True
Treasurer	Gerry McFaul

Executor Director: Scott Moore

Report Period: Fiscal Year Ended June 30, 2018

Schedule of Daily Hours: 8:00 a.m. to 5:00 p.m.

Number of Days Operation: Varied



**Kidango, Inc.**  
**Combining Statement of Activities – California Department of Education Programs**  
**Year Ended June 30, 2018**

	California Department of Education – Direct Funding							Subsidiary
	General Child Care CCTR-7316	General Child Care CCTR-7008	General Child Care CCTR-7007	Family Child Care Homes CFCC-7000	State Preschool CSPP-7703	State Preschool CSPP-7015	State Preschool CSPP-7014	Total CDE Programs
<b>REVENUE</b>								
Grants:								
State Department of Education	\$ 2,127,167	\$ 3,710,690	\$ 171,394	\$ 212,105	\$ 5,960,542	\$ 9,909,088	\$ 888,764	\$ 22,979,750
School District revenue	-	-	-	-	-	-	-	-
Child and Adult Care Food Programs	108,453	208,917	2,195	-	419,240	542,576	13,465	1,294,846
Community Family Services	-	-	-	-	-	-	-	-
County contracts	-	-	-	-	-	-	-	-
Parent fees	460,049	1,252,051	31,105	3,930	166,325	381,128	55,914	2,350,502
Other income	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>2,695,669</b>	<b>5,171,658</b>	<b>204,694</b>	<b>216,035</b>	<b>6,546,107</b>	<b>10,832,792</b>	<b>958,143</b>	<b>26,625,098</b>
<b>EXPENDITURES</b>								
Salaries	1,119,633	2,285,163	93,883	59,743	3,849,503	6,473,366	514,855	14,396,146
Payroll taxes	88,670	181,878	8,267	775	309,761	527,187	41,337	1,157,875
Employee benefits	192,004	356,378	18,430	1,487	661,122	1,045,940	93,691	2,369,052
Books and supplies	125,671	258,717	12,512	276	464,626	659,013	70,728	1,591,543
Professional services	970,914	1,674,066	29,755	151,747	397,211	713,611	12,166	3,949,470
Occupancy expense	144,154	289,209	14,906	1,227	486,684	696,679	82,290	1,715,149
Other expenses	105,074	149,853	24,694	586	290,029	580,202	123,536	1,273,974
Minor equipment and improvements	11,195	18,830	1,822	141	29,016	47,501	10,231	118,736
Interest expense	325	580	19	2	929	1,502	98	3,455
Depreciation expense	19,325	32,758	1,648	51	57,226	87,791	9,211	208,010
<b>Total expenses</b>	<b>2,776,965</b>	<b>5,247,432</b>	<b>205,936</b>	<b>216,035</b>	<b>6,546,107</b>	<b>10,832,792</b>	<b>958,143</b>	<b>26,783,410</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (81,296)</b>	<b>\$ (75,774)</b>	<b>\$ (1,242)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (158,312)</b>

**Kidango, Inc.**

**Combining Statement of Activities – California Department of Education Programs (Continued)**  
**Year Ended June 30, 2018**

	School District Funding			Total School Districts Programs	Subsidiary
	New Haven USD State Preschool CSPP-7018	San Lorenzo USD State Preschool CSPP-7021	Fremont USD Non-CDE Funding		CFS Family Child Care Homes CFCC-7023
<b>REVENUE</b>					
Grants:					
State Department of Education	\$ -	\$ -	\$ -	\$ -	\$ -
School District revenue	1,734,659	207,075	14,563	1,956,297	-
Child and Adult Care Food Programs	88,697	12,526	-	101,223	-
Community Family Services	-	-	-	-	960,261
County contracts	-	-	-	-	-
Parent fees	-	-	-	-	17,579
Other income	-	-	-	-	-
<b>Total revenue</b>	<b>1,823,356</b>	<b>219,601</b>	<b>14,563</b>	<b>2,057,520</b>	<b>977,840</b>
<b>EXPENDITURES</b>					
Salaries	1,185,990	134,723	10,849	1,331,562	224,130
Payroll taxes	89,042	10,737	786	100,565	15,723
Employee benefits	194,202	20,378	2,273	216,853	28,760
Books and supplies	128,259	12,492	245	140,996	1,574
Professional services	37,431	4,267	245	41,943	697,011
Occupancy expense	120,671	14,567	165	135,403	6,720
Other expenses	46,913	6,544	-	53,457	2,981
Minor equipment and improvements	7,728	772	-	8,500	640
Interest expense	208	34	-	242	12
Depreciation expense	12,912	2,025	-	14,937	289
<b>Total expenses</b>	<b>1,823,356</b>	<b>206,539</b>	<b>14,563</b>	<b>2,044,458</b>	<b>977,840</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ -</b>	<b>\$ 13,062</b>	<b>\$ -</b>	<b>\$ 13,062</b>	<b>\$ -</b>

**Kidango, Inc.**

**Schedule of Expenditures by State Categories – California Department of Education Programs**  
**Year Ended June 30, 2018**

	General Child Care CCTR-7316	General Child Care CCTR-7008	Family Child Care Homes CFCC-7007	State Preschool CSPP-7000	State Preschool CSPP-7703	State Preschool CSPP-7015	State Preschool CSPP-7014	Total Kidango, Inc. Programs
Direct Payments to Providers	\$ 784,190	\$ -	\$ -	\$ 151,232	\$ -	\$ -	\$ -	\$ 935,422
1000 Certified salaries	581,576	1,168,623	51,445	2,040	2,405,271	3,875,249	299,002	8,383,206
2000 Classified salaries	538,057	1,116,540	42,438	57,703	1,444,232	2,598,118	215,852	6,012,940
3000 Employee benefits	280,674	538,256	26,697	2,263	970,883	1,573,126	135,028	3,526,927
4000 Books and supplies	125,671	258,717	12,512	276	464,626	659,013	70,728	1,591,543
5000 Services/other operating expenses	411,033	2,121,197	52,600	2,471	1,162,441	1,828,493	138,000	5,716,235
6000 Capital outlay	36,439	11,341	18,596	-	35,054	177,002	90,322	368,754
6100/6200 Other approved capital outlay	-	-	-	-	-	-	-	-
6400 New equipment	4,877	7,664	-	-	23,690	33,444	-	69,675
6500 Replacement equipment	31,562	3,677	18,596	-	11,365	143,558	90,322	299,080
Depreciation	19,325	32,758	1,648	50	57,226	87,791	9,211	208,009
Start-up costs	-	-	-	-	6,374	34,000	-	40,374
Indirect costs	-	-	-	-	-	-	-	-
Total expenses claimed for reimbursement	2,776,965	5,247,432	205,936	216,035	6,546,107	10,832,792	958,143	26,783,410
Supplemental expenses	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,776,965</b>	<b>\$ 5,247,432</b>	<b>\$ 205,936</b>	<b>\$ 216,035</b>	<b>\$ 6,546,107</b>	<b>\$ 10,832,792</b>	<b>\$ 958,143</b>	<b>\$ 26,783,410</b>

NOTE: We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

NOTE: The following contracts are commingled with subcontractors and further reconciled on pages 34-43 CCTR-7316, CFCC-7007, CCTR-7008, CSPP-7703, and CSPP-7015.

NOTE: All of the interest reported on page 31 is for capital lease interest only.

NOTE: Minor equipment below the Agency's capitalization threshold reported as "Minor Equipment and Improvements" as shown on page 31 above under the 4000 – Books and Supplies Category. Minor repairs below the Agency's capitalization threshold reported as "Minor Equipment and Improvements" as shown on page 31 above under the 5000 – Services/Other Operating Expenses Category.

**Kidango, Inc.**

**Schedule of Expenditures by State Categories – California Department of Education Programs (Continued)**  
**Year Ended June 30, 2018**

	New Haven USD State Preschool CSPP-7018	San Lorenzo USD State Preschool CSPP-7021	Fremont USD Non-CDE Funding	Total School Districts Programs	CFS Family Child Care Homes CFCC-7023
Direct Payments to Providers	\$ -	\$ -	\$ -	\$ -	\$ 694,722
1000 Certified salaries	741,040	80,299	4,825	826,164	2,749
2000 Classified salaries	444,950	54,424	6,025	505,399	221,381
3000 Employee benefits	283,244	31,114	3,059	317,417	44,484
4000 Books and supplies	128,259	12,492	245	140,996	1,574
5000 Services/other operating expenses	212,951	26,185	409	239,545	12,641
6000 Capital outlay	-	-	-	-	-
6100/6200 Other approved capital outlay	-	-	-	-	-
6400 New equipment	-	-	-	-	-
6500 Replacement equipment	-	-	-	-	-
Depreciation	12,912	2,025	-	14,937	289
Start-up costs	-	-	-	-	-
Indirect costs	-	-	-	-	-
Total expenses claimed for reimbursement	1,823,356	206,539	14,563	2,044,458	977,840
Supplemental expenses	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,823,356</b>	<b>\$ 206,539</b>	<b>\$ 14,563</b>	<b>\$ 2,044,458</b>	<b>\$ 977,840</b>

NOTE: We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

NOTE: All of the interest reported on page 31 is for capital lease interest only.

NOTE: Minor equipment below the Agency's capitalization threshold reported as "Minor Equipment and Improvements" as shown on page 31 above under the 4000 – Books and Supplies Category. Minor repairs below the Agency's capitalization threshold reported as "Minor Equipment and Improvements" as shown page 31 above under the 5000 – Services/Other Operating Expenses Category.

**Kidango, Inc.**  
**Reconciliation of CDE and GAAP Expense Reporting**  
**Year Ended June 30, 2018**

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	CCTR-7316			
	Contractor Kidango, Inc. (Total expenses of the Agency)	Subcontractor San Jose Day Nursery	Subcontractor Unity Council	Total
Expenses				
Schedule of Expenditures by State Categories (page 32)	\$ 2,776,965	\$ -	\$ -	\$ 2,776,965
Adjustments to reconcile difference in reporting:				
Payments to subcontractor	(127,383)	115,683	11,700	-
Excess funded by subcontractor	-	-	-	-
Depreciation on assets funded by CDE	-	-	-	-
Audited Fiscal Reports	<u>\$ 2,649,582</u>	<u>\$ 115,683</u>	<u>\$ 11,700</u>	<u>\$ 2,776,965</u>

**Kidango, Inc.**  
**Schedule of Expenditures by State Categories with Subcontract Detail**  
**Year Ended June 30, 2018**

CCTR-7316				
	Contractor Kidango, Inc. (Total expenses of the Agency)	Subcontractor San Jose Day Nursery	Subcontractor Unity Council	Total
Direct Payments to Providers	\$ 784,190	\$ -	\$ -	\$ 784,190
1000 Certified salaries	494,956	78,664	7,956	581,576
2000 Classified salaries	538,057	-	-	538,057
3000 Employee benefits	239,911	37,019	3,744	280,674
4000 Books and supplies	125,671	-	-	125,671
5000 Services/other operating expenses	411,033	-	-	411,033
6000 Capital outlay	36,439	-	-	36,439
6100/6200 Other approved capital outlay	-	-	-	-
6400 New equipment	4,877	-	-	4,877
6500 Replacement equipment	31,562	-	-	31,562
Depreciation	19,325	-	-	19,325
Start-up costs	-	-	-	-
Indirect costs	-	-	-	-
Total expenses claimed for reimbursement	2,649,582	115,683	11,700	2,776,965
Supplemental expenses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,649,582</b>	<b>\$ 115,683</b>	<b>\$ 11,700</b>	<b>\$ 2,776,965</b>

**Kidango, Inc.**  
**Reconciliation of CDE and GAAP Expense Reporting**  
**Year Ended June 30, 2018**

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	CCTR-7008				Total
	Contractor Kidango, Inc. (Total expenses of the Agency)	Subcontractor CAPE, Inc.	Subcontractor Livermore Area Recreation and Park District	Subcontractor Unity Council	
Expenses					
Schedule of Expenditures by State Categories (page 32)	\$ 5,247,432	\$ -	\$ -	\$ -	\$ 5,247,432
Adjustments to reconcile difference in reporting:					
Payments to subcontractor	(1,577,173)	717,875	674,385	184,913	-
Excess funded by subcontractor	-	-	-	-	-
Depreciation on assets funded by CDE	-	-	-	-	-
Audited Fiscal Reports	<u>\$ 3,670,259</u>	<u>\$ 717,875</u>	<u>\$ 674,385</u>	<u>\$ 184,913</u>	<u>\$ 5,247,432</u>

**Kidango, Inc.**  
**Schedule of Expenditures by State Categories with Subcontract Detail**  
**Year Ended June 30, 2018**

	CCTR-7008				Total
	Contractor Kidango, Inc. (Total expenses of the Agency)	Subcontractor CAPE, Inc.	Subcontractor Livermore Area Recreation and Park District	Subcontractor Unity Council	
Direct Payments to Providers	\$ -	\$ -	\$ -	\$ -	\$ -
1000 Certified salaries	96,145	488,155	458,582	125,741	1,168,623
2000 Classified salaries	1,116,540	-	-	-	1,116,540
3000 Employee benefits	33,561	229,720	215,803	59,172	538,256
4000 Books and supplies	258,717	-	-	-	258,717
5000 Services/other operating expenses	2,121,197	-	-	-	2,121,197
6000 Capital outlay	11,341	-	-	-	11,341
6100/6200 Other approved capital outlay	-	-	-	-	-
6400 New equipment	7,664	-	-	-	7,664
6500 Replacement equipment	3,677	-	-	-	3,677
Depreciation	32,758	-	-	-	32,758
Start-up costs	-	-	-	-	-
Indirect costs	-	-	-	-	-
Total expenses claimed for reimbursement	3,670,259	717,875	674,385	184,913	5,247,432
Supplemental expenses	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,670,259</b>	<b>\$ 717,875</b>	<b>\$ 674,385</b>	<b>\$ 184,913</b>	<b>\$ 5,247,432</b>



**Kidango, Inc.**  
**Reconciliation of CDE and GAAP Expense Reporting**  
**Year Ended June 30, 2018**

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	<u>CFCC-7007</u>		
	<u>Contractor Kidango, Inc. (Total expenses of the Agency)</u>	<u>Subcontractor Unity Council</u>	<u>Total</u>
Expenses Schedule of Expenditures by State Categories (page 32)	<u>\$ 205,936</u>	<u>\$ -</u>	<u>\$ 205,936</u>
Adjustments to reconcile difference in reporting:			
Payments to subcontractor	(26,544)	26,544	-
Excess funded by subcontractor	-	-	-
Depreciation on assets funded by CDE	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal			
Audited Fiscal Reports	<u>\$ 179,392</u>	<u>\$ 26,544</u>	<u>\$ 205,936</u>

**Kidango, Inc.**

**Schedule of Expenditures by State Categories with Subcontract Detail**  
**Year Ended June 30, 2018**

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	CFCC-7007		
	Contractor Kidango, Inc. (Total expenses of the Agency)	Subcontractor Unity Council	Total
Direct Payments to Providers	\$ -	\$ -	\$ -
1000 Certified salaries	33,395	18,050	51,445
2000 Classified salaries	42,438	-	42,438
3000 Employee benefits	18,203	8,494	26,697
4000 Books and supplies	12,512	-	12,512
5000 Services/other operating expenses	52,600	-	52,600
6000 Capital outlay	18,596	-	18,596
6100/6200 Other approved capital outlay	-	-	-
6400 New equipment	-	-	-
6500 Replacement equipment	18,596	-	18,596
Depreciation	1,648	-	1,648
Start-up costs	-	-	-
Indirect costs	-	-	-
Total expenses claimed for reimbursement	179,392	26,544	205,936
Supplemental expenses	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 179,392</b>	<b>\$ 26,544</b>	<b>\$ 205,936</b>

**Kidango, Inc.**  
**Reconciliation of CDE and GAAP Expense Reporting**  
**Year Ended June 30, 2018**

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	CSPP-7703			
	Contractor Kidango, Inc. (Total expenses of the Agency)	Subcontractor CAPE Inc.	Subcontractor San Jose Day Nursery	Total
Expenses				
Schedule of Expenditures by State Categories (page 32)	\$ 6,546,107	\$ -	\$ -	\$ 6,546,107
Adjustments to reconcile difference in reporting:				
Payments to subcontractor	(198,728)	28,760	169,968	-
Excess funded by subcontractor	-	-	-	-
Depreciation on assets funded by CDE	-	-	-	-
Audited Fiscal Reports	<u>\$ 6,347,379</u>	<u>\$ 28,760</u>	<u>\$ 169,968</u>	<u>\$ 6,546,107</u>

**Kidango, Inc.**  
**Schedule of Expenditures of State Categories with Subcontract Detail**  
**Year Ended June 30, 2018**

	CSPP-7703			Total
	Contractor Kidango, Inc. (Total expenses of the Agency)	Subcontractor CAPE Inc.	Subcontractor San Jose Day Nursery	
Direct Payments to Providers	\$ -	\$ -	\$ -	\$ -
1000 Certified salaries	2,270,136	19,557	115,578	2,405,271
2000 Classified salaries	1,444,232	-	-	1,444,232
3000 Employee benefits	907,290	9,203	54,390	970,883
4000 Books and supplies	464,626	-	-	464,626
5000 Services/other operating expenses	1,162,441	-	-	1,162,441
6000 Capital outlay	35,054	-	-	35,054
6100/6200 Other approved capital outlay	-	-	-	-
6400 New equipment	23,690	-	-	23,690
6500 Replacement equipment	11,365	-	-	11,365
Depreciation	57,226	-	-	57,226
Start-up costs	6,374	-	-	6,374
Indirect costs	-	-	-	-
Total expenses claimed for reimbursement	6,347,379	28,760	169,968	6,546,107
Supplemental expenses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,347,379</b>	<b>\$ 28,760</b>	<b>\$ 169,968</b>	<b>\$ 6,546,107</b>

**Kidango, Inc.**  
**Reconciliation of CDE and GAAP Expense Reporting**  
**Year Ended June 30, 2018**

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	CSPP-7015			
	Contractor Kidango, Inc. (Total expenses of the Agency)	Subcontractor CAPE Inc.	Subcontractor San Jose Day Nursery	Total
Expenses				
Schedule of Expenditures by State Categories (page 32)	\$ 10,832,792	\$ -	\$ -	\$ 10,832,792
Adjustments to reconcile difference in reporting:				
Payments to subcontractor	(416,293)	346,470	69,823	-
Excess funded by subcontractor	-	-	-	-
Depreciation on assets funded by CDE	-	-	-	-
Audited Fiscal Reports	<u>\$ 10,416,499</u>	<u>\$ 346,470</u>	<u>\$ 69,823</u>	<u>\$ 10,832,792</u>

**Kidango, Inc.**  
**Reconciliation of CDE and GAAP Expense Reporting**  
**Year Ended June 30, 2018**

	CSPP-7015			Total
	Contractor Kidango, Inc. (Total expenses of the Agency)	Subcontractor CAPE Inc.	Subcontractor San Jose Day Nursery	
Direct Payments to Providers	\$ -	\$ -	\$ -	\$ -
1000 Certified salaries	3,592,170	235,600	47,479	3,875,249
2000 Classified salaries	2,598,118	-	-	2,598,118
3000 Employee benefits	1,439,913	110,870	22,343	1,573,126
4000 Books and supplies	659,013	-	-	659,013
5000 Services/other operating expenses	1,828,493	-	-	1,828,493
6000 Capital outlay	177,002	-	-	177,002
6100/6200 Other approved capital outlay	-	-	-	-
6400 New equipment	33,444	-	-	33,444
6500 Replacement equipment	143,558	-	-	143,558
Depreciation	87,791	-	-	87,791
Start-up costs	34,000	-	-	34,000
Indirect costs	-	-	-	-
Total expenses claimed for reimbursement	10,416,500	346,470	69,822	10,832,792
Supplemental expenses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,416,500</b>	<b>\$ 346,470</b>	<b>\$ 69,822</b>	<b>\$ 10,832,792</b>

**Kidango, Inc.**  
**Schedule of Administrative Costs Relating to California Department of Education**  
**Programs**  
**Year Ended June 30, 2018**

	Kidango, Inc.						
	General Child Care CCTR-7316	General Child Care CCTR-7008	General Child Care CCTR-7007	Family Child Care Homes CFCC-7000	State Preschool CSPP-7703	State Preschool CSPP-7015	State Preschool CSPP-7014
Salaries:							
Certified salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Classified salaries	201,514	366,667	14,439	31,088	416,822	675,908	63,909
Employee benefits	54,380	109,084	3,925	406	144,691	263,592	18,244
Books and supplies	4,772	8,635	303	29	13,359	21,691	1,465
Services and other	-	-	-	-	-	-	-
Operating expenses	119,351	204,454	9,784	723	331,753	543,253	46,866
Capital expenditures	7,813	12,361	976	28	25,775	43,796	5,120
Depreciation expense	17,328	28,739	1,462	52	49,399	76,654	8,028
Total administrative costs	<u>\$ 405,158</u>	<u>\$ 729,940</u>	<u>\$ 30,889</u>	<u>\$ 32,326</u>	<u>\$ 981,799</u>	<u>\$ 1,624,894</u>	<u>\$ 143,632</u>
	School Districts			Subsidiary			
	NHUSD State Preschool CSPP-7018	SLUSD State Preschool CSPP-7021		CFS Family CC Homes CFCC-7023			
Salaries:							
Certified salaries	\$ -	\$ -		\$ -			\$ -
Classified salaries	128,053	12,176		113,421			113,421
Employee benefits	38,374	5,437		28,987			28,987
Books and supplies	2,987	441		172			172
Services and other	-	-		-			-
Operating expenses	77,075	10,646		3,597			3,597
Capital expenditures	2,994	495		177			177
Depreciation and mortgage	10,830	1,725		301			301
Total administrative costs	<u>\$ 260,313</u>	<u>\$ 30,920</u>		<u>\$ 146,655</u>			<u>\$ 146,655</u>

**Kidango, Inc.**  
**Schedule of Start-Up Expenses**  
**Year Ended June 30, 2018**

	State Preschool CSPP-7703	State Preschool CSPP-7015	Total
Reimbursable Start-up Expenses			
1000 Certified salaries	\$ -	\$ -	\$ -
2000 Classified salaries	-	-	-
3000 Employee benefits	-	-	-
4000 Books and supplies	6,374	16,549	22,923
5000 Services/other operating expenses	-	6,451	6,451
6000 Capital outlay	-	11,000	11,000
Subtotal	6,374	34,000	40,374
6100/6200 Other approved capital outlay	-	7,380	7,380
6400 New equipment	-	3,620	3,620
6500 Replacement equipment	-	-	-
<b>Total</b>	<b>\$ 6,374</b>	<b>\$ 34,000</b>	<b>\$ 40,374</b>

NOTE: The Agency's capitalization threshold is \$5,000.



**Kidango, Inc.**

**Schedule of Equipment Expenditures and Schedule of Expenditures for Buildings and Improvements**  
**Year Ended June 30, 2018**

	CDE Direct Funding						Total
	General Child Care CCTR-7316	General Center CCTR-7008	General Center CCTR-7007	General Center CSPP-7703	State Preschool CSPP-7015	State Preschool CSPP-7014	
Equipment Expenditures							
Unit cost under \$7,500 per item							
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unit cost over \$7,500 per item with prior written approval							
Vehicle for Center	4,878	7,664	-	23,690	33,444	-	69,676
Unit cost over \$7,500 per item without prior written approval							
None	-	-	-	-	-	-	-
Total equipment expenditures	<u>4,878</u>	<u>7,664</u>	<u>-</u>	<u>23,690</u>	<u>33,444</u>	<u>-</u>	<u>69,676</u>
Building and Improvements							
Unit cost under \$7,500 per item							
None	-	-	-	-	-	-	-
Unit cost over \$7,500 per item with prior written approval							
HVAC unit for Center	31,561	3,677	18,596	11,365	143,558	90,322	299,079
Unit cost over \$7,500 per item without prior written approval							
None	-	-	-	-	-	-	-
Total improvement expenditures	<u>31,561</u>	<u>3,677</u>	<u>18,596</u>	<u>11,365</u>	<u>143,558</u>	<u>90,322</u>	<u>299,079</u>
TOTAL CAPITAL OUTLAY BY CONTRACT	<u>\$ 36,439</u>	<u>\$ 11,341</u>	<u>\$ 18,596</u>	<u>\$ 35,055</u>	<u>\$ 177,002</u>	<u>\$ 90,322</u>	<u>\$ 368,755</u>

NOTE: The Agency's capitalization threshold is \$5,000.

# Kidango, Inc.

AUDITED RESERVE ACCOUNT ACTIVITY REPORT			
Agency Name:	Kidango, Inc.		
Fiscal Year End:	June 30, 2018	Vendor No.	01-B202
Independent Auditor's Name:	Moss Adams LLP		
RESERVE ACCOUNT TYPE (Check One):	COLUMN A	COLUMN B	COLUMN C
<input checked="" type="checkbox"/> Center Based <input type="checkbox"/> Resource and Referral <input type="checkbox"/> Alternative Payment	PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	PER AUDIT
<b>LAST YEAR:</b>			
1. Beginning Balance (must equal ending balance from Last Year's AUD 9530-A)	\$2,390,892		\$2,390,892
2. Plus Transfers from Contracts to Reserve Account (based on last year's post-audit CDFS 9530, Section IV):			
Contract No. 7703	\$451,672	(\$7,126)	\$444,546
Contract No. 7008	164,760	20,974	185,734
Contract No. 7316	81,630	0	81,630
Contract No. 7014	267,828	0	267,828
Contract No.			0
Contract No.			0
Total Transferred from Contracts to Reserve Account	\$965,890	\$13,848	\$979,738
3. Less Excess Reserve to be Billed (enter as a positive amount any excess amount calculated by CDFS on last year's post-audit CDFS 9530)			\$0
4. Ending Balance on Last Year's Post-Audit CDFS 9530	\$3,356,782	\$13,848	\$3,370,630
<b>THIS YEAR:</b>			
5. Plus Interest Earned This Year on Reserve Funds (column A must agree with this year's CDFS 9530-A, Section II)	\$217		\$217
6. Less Transfers to Contracts from Reserve Account (column A amounts must agree with this year's CDFS 9530-A, Section III; and column C amounts must be reported on this year's AUD forms for respective contracts):			
CSPP - General			
Contract No.			\$0
Contract No.			0
CSPP - Professional Development			
Contract No.			\$0
Contract No.			0
Subtotal	\$0	\$0	\$0
Other Contracts			
Contract No.			\$0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Subtotal	\$0	\$0	\$0
Total Transferred to Contracts from Reserve Account	\$0	\$0	\$0
7. Ending Balance on June 30, 2018 (column A must agree with this year's CDFS 9530-A, Section IV)	\$3,356,999	\$13,848	\$3,370,847
<b>COMMENTS - If necessary, attach additional sheets to explain adjustments:</b>			

AUDITED FISCAL REPORT for CalWORKS, Alternative Payment or Family Child Care Home Programs			
Agency Name: <u>Kidango, Inc.</u>	Vendor No. <u>01-B202</u>		
Fiscal Year End: <u>June 30, 2018</u>	Contract No. <u>CFCC-7000</u>		
Independent Auditor's Name: <u>Moss Adams LLP</u>			
	Column A	Column B	Column C
SECTION I - REVENUE	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500-AP	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs			\$0
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$0	\$0	\$0
TRANSFER FROM RESERVE ( <i>Alternative Payment Only</i> )			0
FAMILY FEES FOR CERTIFIED CHILDREN	3,930		3,930
INTEREST EARNED ON APPORTIONMENTS			0
<b>UNRESTRICTED INCOME</b>			
Other (Specify):			0
<b>TOTAL REVENUE</b>	<b>\$3,930</b>	<b>\$0</b>	<b>\$3,930</b>
<b>SECTION II - REIMBURSABLE EXPENSES</b>			
<i>Direct Payments to Providers</i>	\$151,232	\$0	\$151,232
1000 Certificated Salaries	0	2,040	2,040
2000 Classified Salaries	0	57,703	57,703
3000 Employee Benefits	0	2,263	2,263
4000 Books and Supplies	0	276	276
5000 Services and Other Operating Expenses	64,803	(62,332)	2,471
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment ( <i>program-related</i> )			0
6500 Replacement Equipment ( <i>program-related</i> )			0
Depreciation or Use Allowance	0	51	51
Indirect Costs. Rate: 0.00%			0
<b>NONREIMBURSABLE EXPENSES</b>			
6100-6500 Nonreimbursable Capital Outlay			0
Other (Specify):			0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	<b>\$216,035</b>	<b>\$1</b>	<b>\$216,036</b>
TOTAL ADMINISTRATIVE COSTS (included in Section II above)	\$32,405	(\$79)	\$32,326
DAYS OF OPERATION	249		249
FOR CDE-A&I USE ONLY:			
COMMENTS - If necessary, attach additional sheets to explain adjustments:			

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box & omit page 2 if there are no supplemental revenues or expenses to report.  
 AUD 9500-AP, Page 1 of 2 (FY 2016-17) California Department of Education

# Kidango, Inc.

## AUDITED ATTENDANCE AND FISCAL REPORT for General or Migrant Center-Based Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202  
 Fiscal Year Ended: June 30, 2018 Contract No. CCTR-7316  
 Independent Auditor's Name: Moss Adams LLP

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	CUMULATIVE FISCAL YEAR PER FORM CDFFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	4		4	2.006	8.024
Full-time	695		695	1.700	1,181.500
Three-quarters-time	27		27	1.275	34.425
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	362		362	1.652	598.024
Full-time	2,859		2,859	1.400	4,002.600
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	1,934		1,934	1.652	3,194.968
Full-time	16,585		16,585	1.400	23,219.000
Three-quarters-time	1,252		1,252	1.050	1,314.600
On-half-time	-		-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus	635		635	1.180	749.300
Full-time	4,841		4,841	1.000	4,841.000
Three-quarters-time	3,112		3,112	0.750	2,334.000
One-half-time	3,793		3,793	0.550	2,086.150
<i>Exceptional Needs</i>					
Full-time-plus	66		66	1.416	93.456
Full-time	133		133	1.200	159.600
Three-quarters-time	147		147	0.900	132.300
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	384		384	1.298	498.432
Full-time	2,028		2,028	1.100	2,230.800
Three-quarters-time	170		170	0.825	140.250
One-half-time	-		-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	97		97	1.100	106.700
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>39,124</b>	<b>-</b>	<b>39,124</b>		<b>46,925.129</b>
<b>DAYS OF OPERATION</b>	<b>249</b>		<b>249</b>		
<b>DAYS OF ATTENDANCE</b>	<b>38,532</b>		<b>38,532</b>		

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

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

**AUDITED ATTENDANCE AND FISCAL REPORT**  
for General or Migrant Center-Based Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202  
Fiscal Year Ended: June 30, 2018 Contract No. CCTR-7316

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children. DAYS OF ENROLLMENT	COLUMN A CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	COLUMN B AUDIT ADJUSTMENTS	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT	COLUMN D ADJUSTMENT FACTOR	COLUMN E ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	65		65	2.006	130.390
Full-time	-		-	1.700	-
Three-quarters-time	-		-	1.275	-
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	1,320		1,320	1.652	2,180.640
Full-time	1,010		1,010	1.400	1,414.000
Three-quarters-time	574		574	1.050	602.700
On-half-time	122		122	0.770	93.940
<i>Three Years and Older</i>					
Full-time-plus	2,384		2,384	1.180	2,813.120
Full-time	704		704	1.000	704.000
Three-quarters-time	756		756	0.750	567.000
One-half-time	1,353		1,353	0.550	744.150
<i>Exceptional Needs</i>					
Full-time-plus	126		126	1.416	178.416
Full-time	-		-	1.200	-
Three-quarters-time	88		88	0.900	79.200
One-half-time	42		42	0.660	27.720
<i>Limited and Non-English Proficient</i>					
Full-time-plus	80		80	1.298	103.840
Full-time	589		589	1.100	647.900
Three-quarters-time	-		-	0.825	-
One-half-time	248		248	0.605	150.040
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>9,461</b>	<b>-</b>	<b>9,461</b>		<b>10,437.056</b>

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

# Kidango, Inc.

## AUDITED ATTENDANCE AND FISCAL REPORT for General or Migrant Center-Based Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202  
 Fiscal Year End: June 30, 2018 Contract No. CCTR-7316

	COLUMN A	COLUMN B	COLUMN C
SECTION III - REVENUE	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$108,452		\$108,452
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$108,452	\$0	\$108,452
Transfer from Reserve			0
Family Fees for Certified Children	55,809		55,809
Interest Earned on Apportionments			0
<b>UNRESTRICTED INCOME</b>			
Family Fees for Noncertified Children	404,240		404,240
Head Start Program (EC § 8235(b))	654,942	100,637	755,579
Other (Specify):			0
<b>TOTAL REVENUE</b>	<b>\$1,223,443</b>	<b>\$100,637</b>	<b>\$1,324,080</b>
<b>SECTION IV - REIMBURSABLE EXPENSES</b>			
<i>Direct Payments to Providers (FCCH Only)</i>	\$911,573	(\$127,383)	\$784,190
1000 Certificated Salaries	589,576	(8,000)	581,576
2000 Classified Salaries	536,929	1,128	538,057
3000 Employee Benefits	269,778	10,896	280,674
4000 Books and Supplies	134,584	(8,913)	125,671
5000 Services and Other Operating Expenses	315,199	95,834	411,033
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment ( <i>program-related</i> )	0	4,877	4,877
6500 Replacement Equipment ( <i>program-related</i> )	0	31,561	31,561
Depreciation or Use Allowance	19,325		19,325
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs      Rate: 0.00%      (Rate is Self-Calculating)			0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	<b>\$2,776,964</b>	<b>\$0</b>	<b>\$2,776,964</b>
<b>TOTAL ADMINISTRATIVE COSTS (included in section IV above)</b>	<b>\$400,277</b>	<b>\$4,881</b>	<b>\$405,158</b>
<b>FOR CDE-A&amp;I USE ONLY:</b>			

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:  
 Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO): **COMMENTS - If necessary, attach additional sheets to explain adjustments.**

YES  
 NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES  
 NO - Explain any discrepancies.

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box and omit page 4 if there are no supplemental revenues or expenses to report.  
 AUD 9500, Page 3 of 4 (FY 2016-17) California Department of Education

AUDITED ATTENDANCE AND FISCAL REPORT  
for General or Migrant Center-Based Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202  
 Fiscal Year Ended: June 30, 2018 Contract No. Revised-CCTR 7008 Pilot  
 Independent Auditor's Name: Moss Adams LLP

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	CUMULATIVE FISCAL YEAR PER FORM CDFFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	499		499	2.006	1,000.994
Full-time	5,368		5,368	1.700	9,125.600
Three-quarters-time	88	630	718	1.275	915.450
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	2,135		2,135	1.652	3,527.020
Full-time	31,302		31,302	1.400	43,822.800
Three-quarters-time	1,272	280	1,552	1.050	1,629.600
On-half-time	40		40	0.770	30.800
<i>Three Years and Older</i>					
Full-time-plus	645		645	1.180	761.100
Full-time	8,561		8,561	1.000	8,561.000
Three-quarters-time	4,760		4,760	0.750	3,570.000
One-half-time	13,240		13,240	0.550	7,282.000
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	387		387	1.200	464.400
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	172		172	1.298	223.256
Full-time	933		933	1.100	1,026.300
Three-quarters-time	-		-	0.825	-
One-half-time	5		5	0.605	3.025
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	109		109	1.100	119.900
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>69,516</b>	<b>910</b>	<b>70,426</b>		<b>82,063.245</b>
<b>DAYS OF OPERATION</b>	<b>249</b>		<b>249</b>		
<b>DAYS OF ATTENDANCE</b>	<b>68,671</b>		<b>68,671</b>		

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

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

# Kidango, Inc.

## AUDITED ATTENDANCE AND FISCAL REPORT for General or Migrant Center-Based Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202  
 Fiscal Year Ended: June 30, 2018 Contract No. CCTR 7008

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children. DAYS OF ENROLLMENT	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	1,773		1,773	2.006	3,556.638
Full-time	-		-	1.700	-
Three-quarters-time	-		-	1.275	-
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	2,685		2,685	1.652	4,435.620
Full-time	52		52	1.400	72.800
Three-quarters-time	25		25	1.050	26.250
On-half-time	18		18	0.770	13.860
<i>Three Years and Older</i>					
Full-time-plus	9,112		9,112	1.180	10,752.160
Full-time	1,002		1,002	1.000	1,002.000
Three-quarters-time	43		43	0.750	32.250
One-half-time	6,171		6,171	0.550	3,394.050
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	249		249	1.200	298.800
Three-quarters-time	203		203	0.900	182.700
One-half-time	167		167	0.660	110.220
<i>Limited and Non-English Proficient</i>					
Full-time-plus	1,427		1,427	1.298	1,852.246
Full-time	168		168	1.100	184.800
Three-quarters-time	-		-	0.825	-
One-half-time	1,605		1,605	0.605	971.025
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>24,700</b>	<b>-</b>	<b>24,700</b>		<b>26,885.419</b>
Comments - If necessary, attach additional sheets to explain adjustments:					



**AUDITED ATTENDANCE AND FISCAL REPORT**  
for General or Migrant Center-Based Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202  
Fiscal Year End: June 30, 2018 Contract No. CCTR-7008

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION III - REVENUE</b>			
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$208,917		\$208,917
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$208,917	\$0	\$208,917
Transfer from Reserve			0
Family Fees for Certified Children	84,464		84,464
Interest Earned on Apportionments			0
<b>UNRESTRICTED INCOME</b>			
Family Fees for Noncertified Children	1,167,588		1,167,588
Head Start Program (EC § 8235(b))	866,786	422,147	1,288,933
Other (Specify):			0
<b>TOTAL REVENUE</b>	<b>\$2,327,755</b>	<b>\$422,147</b>	<b>\$2,749,902</b>
<b>SECTION IV - REIMBURSABLE EXPENSES</b>			
<i>Direct Payments to Providers (FCCH Only)</i>	\$0		\$0
1000 Certificated Salaries	1,168,622		1,168,622
2000 Classified Salaries	1,122,627	(6,087)	1,116,540
3000 Employee Benefits	515,853	22,404	538,257
4000 Books and Supplies	258,766	(49)	258,717
5000 Services and Other Operating Expenses	2,122,693	(1,496)	2,121,197
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)	0	7,664	7,664
6500 Replacement Equipment (program-related)	0	3,677	3,677
Depreciation or Use Allowance	32,758		32,758
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	<b>\$5,221,319</b>	<b>\$26,113</b>	<b>\$5,247,432</b>
<b>TOTAL ADMINISTRATIVE COSTS (included in section IV above)</b>	<b>\$751,860</b>	<b>(\$21,920)</b>	<b>\$729,940</b>
<b>FOR CDE-A&amp;I USE ONLY:</b>			

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:  
Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO): **COMMENTS - If necessary, attach additional sheets to explain adjustments:**

YES

NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES

NO - Explain any discrepancies.

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box and omit page 4 if there are no supplemental revenues or expenses to report.  
AUD 9500, Page 3 of 4 (FY 2016-17) California Department of Education

# Kidango, Inc.

**AUDITED ATTENDANCE AND FISCAL REPORT**  
for General or Migrant Center-Based Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202  
 Fiscal Year End: June 30, 2018 Contract No. CCTR-7008

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION V - SUPPLEMENTAL REVENUE</b>			
Enhancement Funding			\$0
Other (Specify): First Five	14,858	49	14,907
Other (Specify):			0
Other (Specify):			0
<b>TOTAL SUPPLEMENTAL REVENUE</b>	<b>\$14,858</b>	<b>\$49</b>	<b>\$14,907</b>
<b>SECTION VI - SUPPLEMENTAL EXPENSES</b>			
<b>EXPENSES RELATED TO SUPPLEMENTAL REVENUE</b>			
1000 Certificated Salaries	\$6,500		\$6,500
2000 Classified Salaries	1,500		1,500
3000 Employee Benefits	1,315		1,315
4000 Books and Supplies	5,543	(1,184)	4,360
5000 Services and Other Operating Expenses			0
6000 Equipment/Other Capital Outlay	0	1,232	1,232
Depreciation or Use Allowance			0
Indirect Costs			0
Other (Specify):			0
<b>NONREIMBURSABLE EXPENSES</b>			
6100-6500 Nonreimbursable Capital Outlay			0
Other: e.g., Entertainment Expenses			0
Other (Specify):			0
Other (Specify):			0
<b>TOTAL SUPPLEMENTAL EXPENSES</b>	<b>\$14,858</b>	<b>\$48</b>	<b>\$14,907</b>

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

AUDITED ATTENDANCE AND FISCAL REPORT  
for General or Migrant Center-Based Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202

Fiscal Year Ended: June 30, 2018 Contract No. CCTR-7007

Independent Auditor's Name: Moss Adams LLP

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	-		-	2.006	-
Full-time	-		-	1.700	-
Three-quarters-time	-		-	1.275	-
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	172		172	1.652	284.144
Full-time	1,063		1,063	1.400	1,488.200
Three-quarters-time	83		83	1.050	87.150
On-half-time	-		-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus	501		501	1.180	591.180
Full-time	1,728		1,728	1.000	1,728.000
Three-quarters-time	153		153	0.750	114.750
One-half-time	-		-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	121		121	1.200	145.200
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	388		388	1.298	503.624
Full-time	646		646	1.100	710.600
Three-quarters-time	14		14	0.825	11.550
One-half-time	-		-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>4,869</b>	<b>-</b>	<b>4,869</b>		<b>5,664.398</b>
<b>DAYS OF OPERATION</b>	<b>249</b>		<b>249</b>		
<b>DAYS OF ATTENDANCE</b>	<b>4,776</b>		<b>4,776</b>		

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

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

# Kidango, Inc.

## AUDITED ATTENDANCE AND FISCAL REPORT for General or Migrant Center-Based Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202

Fiscal Year Ended: June 30, 2018 Contract No. CCTR-7007

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children. DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	-		-	2.006	-
Full-time	-		-	1.700	-
Three-quarters-time	-		-	1.275	-
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
On-half-time	-		-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus	289		289	1.180	341.020
Full-time	-		-	1.000	-
Three-quarters-time	-		-	0.750	-
One-half-time	-		-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	-		-	1.200	-
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.298	-
Full-time	29		29	1.100	31.900
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>318</b>	<b>-</b>	<b>318</b>		<b>372.920</b>
Comments - If necessary, attach additional sheets to explain adjustments:					

**AUDITED ATTENDANCE AND FISCAL REPORT**  
for General or Migrant Center-Based Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202  
Fiscal Year End: June 30, 2018 Contract No. CCTR-7007

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION III - REVENUE</b>			
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$2,195		\$2,195
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$2,195	\$0	\$2,195
Transfer from Reserve			0
Family Fees for Certified Children	17,024		17,024
Interest Earned on Apportionments			0
<b>UNRESTRICTED INCOME</b>			
Family Fees for Noncertified Children	14,081		14,081
Head Start Program (EC § 8235(b))			0
Other (Specify):			0
<b>TOTAL REVENUE</b>	<b>\$33,300</b>	<b>\$0</b>	<b>\$33,300</b>

<b>SECTION IV - REIMBURSABLE EXPENSES</b>			
<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries	61,573	(10,128)	51,445
2000 Classified Salaries	42,537	(99)	42,438
3000 Employee Benefits	25,149	1,548	26,697
4000 Books and Supplies	13,295	(783)	12,512
5000 Services and Other Operating Expenses	70,736	(18,136)	52,600
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)	0	18,596	18,596
Depreciation or Use Allowance	1,654	(6)	1,648
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	<b>\$214,944</b>	<b>(\$9,008)</b>	<b>\$205,936</b>
<b>TOTAL ADMINISTRATIVE COSTS (included in section IV above)</b>	<b>\$34,557</b>	<b>(\$3,668)</b>	<b>\$30,889</b>

**FOR CDE-A&I USE ONLY:**

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:  
Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):

YES  
 NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES  
 NO - Explain any discrepancies.

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

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box and omit page 4 if there are no supplemental revenues or expenses to report.  
AUD 9500, Page 3 of 4 (FY 2016-17) California Department of Education

# Kidango, Inc.

## AUDITED ATTENDANCE AND FISCAL REPORT for California State Preschool Programs

Agency Name: Kidango, Inc. Vendor No. 43-B202

Fiscal Year Ended: June 30, 2018 Contract No. CSPP-7703

Independent Auditor's Name: Moss Adams LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFRS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	2,189		2,189	1.1800	2,583.020
Full-time	25,556		25,556	1.0000	25,556.000
Three-quarters-time	1,619		1,619	0.7500	1,214.250
One-half-time	63,442		63,442	0.6752	42,836.038
<i>Exceptional Needs</i>					
Full-time-plus	97		97	1.4160	137.352
Full-time	370		370	1.2000	444.000
Three-quarters-time	87		87	0.9000	78.300
One-half-time	4,463		4,463	0.6752	3,013.418
<i>Limited and Non-English Proficient</i>					
Full-time-plus	1,751		1,751	1.2980	2,272.798
Full-time	19,220		19,220	1.1000	21,142.000
Three-quarters-time	678		678	0.8250	559.350
One-half-time	48,955		48,955	0.6752	33,054.416
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.2980	-
Full-time	97		97	1.1000	106.700
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6752	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6752	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>168,524</b>	<b>-</b>	<b>168,524</b>		<b>132,997.642</b>
<b>DAYS OF OPERATION</b>	<b>249</b>		<b>249</b>		
<b>DAYS OF ATTENDANCE</b>	<b>165,014</b>		<b>165,014</b>		

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

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

AUDITED ATTENDANCE AND FISCAL REPORT

for California State Preschool Programs

Agency Name: Kidango, Inc. Vendor No. 43-B202

Fiscal Year End: June 30, 2018 Contract No. CSPP-7703

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION III - REVENUE</b>			
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$419,239		\$419,239
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Other (Specify):			0
Subtotal	\$419,239	\$0	\$419,239
Transfer from Reserve - General			0
Transfer from Reserve - Professional Development			0
Subtotal	\$0	\$0	\$0
Family Fees for Certified Children	166,565		166,565
Interest Earned on Apportionments			0
<b>UNRESTRICTED INCOME</b>			
Family Fees for Noncertified Children			0
Head Start Program (EC § 8235(b))			0
Other (Specify):			0
Other (Specify):			0
<b>TOTAL REVENUE</b>	<b>\$585,804</b>	<b>\$0</b>	<b>\$585,804</b>
<b>SECTION IV - REIMBURSABLE EXPENSES</b>			
<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries	2,405,271		2,405,271
2000 Classified Salaries	1,477,669	(33,437)	1,444,232
3000 Employee Benefits	940,393	30,489	970,882
4000 Books and Supplies	464,625		464,625
5000 Services and Other Operating Expenses	1,187,540	(25,100)	1,162,440
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment ( <i>program-related</i> )	0	23,690	23,690
6500 Replacement Equipment ( <i>program-related</i> )	0	11,365	11,365
Depreciation or Use Allowance	57,225		57,225
Start-Up Expenses (service level exemption)	6,257	117	6,374
Budget Impasse Credit			0
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	<b>\$6,538,980</b>	<b>\$7,124</b>	<b>\$6,546,104</b>
<b>TOTAL ADMINISTRATIVE COSTS</b> (included in section IV above)	<b>\$917,023</b>	<b>\$64,776</b>	<b>\$981,799</b>
<b>FOR CDE-A&amp;I USE ONLY:</b>			
<p>Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:                      Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):</p> <p><input checked="" type="checkbox"/> YES  <input type="checkbox"/> NO - Explain any discrepancies.</p> <p>Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):</p> <p><input checked="" type="checkbox"/> YES  <input type="checkbox"/> NO - Explain any discrepancies.</p>			
		<p>COMMENTS - If necessary, attach additional sheets to explain adjustments:</p>	

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

# Kidango, Inc.

**AUDITED ATTENDANCE AND FISCAL REPORT**  
for California State Preschool Programs

Agency Name: Kidango, Inc. Vendor No. 43-B202

Fiscal Year End: June 30, 2018 Contract No. CSPP-7703

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION V - SUPPLEMENTAL REVENUE</b>			
Enhancement Funding			\$0
Other (Specify): First Five	22,108	(1,942)	20,166
Other (Specify):			0
Other (Specify):			0
<b>TOTAL SUPPLEMENTAL REVENUE</b>	<b>\$22,108</b>	<b>(\$1,942)</b>	<b>\$20,166</b>

**SECTION VI - SUPPLEMENTAL EXPENSES**

<b>EXPENSES RELATED TO SUPPLEMENTAL REVENUE</b>			
1000 Certificated Salaries	\$0		\$0
2000 Classified Salaries	0	1,865	1,865
3000 Employee Benefits	0		0
4000 Books and Supplies	0	5,265	5,265
5000 Services and Other Operating Expenses	0	11,278	11,278
6000 Equipment/Other Capital Outlay	22,108	(20,350)	1,758
Depreciation or Use Allowance			0
Indirect Costs			0
<b>NONREIMBURSABLE EXPENSES</b>			
6100-6500 Nonreimbursable Capital Outlay			0
Other: e.g., Entertainment Expenses			0
Other (Specify):			0
Other (Specify):			0
<b>TOTAL SUPPLEMENTAL EXPENSES</b>	<b>\$22,108</b>	<b>(\$1,942)</b>	<b>\$20,166</b>

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



AUDITED ATTENDANCE AND FISCAL REPORT  
for California State Preschool Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202  
 Fiscal Year Ended: June 30, 2018 Contract No. CSPP-7015  
 Independent Auditor's Name: Moss Adams LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	15,132		15,132	1.1800	17,855.760
Full-time	65,500		65,500	1.0000	65,500.000
Three-quarters-time	2,103		2,103	0.7500	1,577.250
One-half-time	152,734		152,734	0.6193	94,588.166
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.4160	-
Full-time	882		882	1.2000	1,058.400
Three-quarters-time	7		7	0.9000	6.300
One-half-time	3,021		3,021	0.6193	1,870.905
<i>Limited and Non-English Proficient</i>					
Full-time-plus	2,218		2,218	1.2980	2,878.964
Full-time	18,827		18,827	1.1000	20,709.700
Three-quarters-time	74		74	0.8250	61.050
One-half-time	2,285		2,285	0.6193	1,415.101
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	738		738	1.2980	957.924
Full-time	788		788	1.1000	866.800
Three-quarters-time	-		-	0.8250	-
One-half-time	372		372	0.6193	230.380
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6193	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>264,681</b>	<b>-</b>	<b>264,681</b>		<b>209,576.700</b>
<b>DAYS OF OPERATION</b>	<b>249</b>		<b>249</b>		
<b>DAYS OF ATTENDANCE</b>	<b>257,570</b>		<b>257,570</b>		

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

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

# Kidango, Inc.

## AUDITED ATTENDANCE AND FISCAL REPORT

for California State Preschool Programs

Agency Name: Kidango, Inc.

Vendor No. 01-B202

Fiscal Year End: June 30, 2018

Contract No. CSPP-7015

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION III - REVENUE</b>			
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$542,576		\$542,576
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Other (Specify):			0
Subtotal	\$542,576	\$0	\$542,576
Transfer from Reserve - General			0
Transfer from Reserve - Professional Development			0
Subtotal	\$0	\$0	\$0
Family Fees for Certified Children	380,888	240	381,128
Interest Earned on Apportionments			0
<b>UNRESTRICTED INCOME</b>			
Family Fees for Noncertified Children			0
Head Start Program (EC § 8235(b))	483,494	16,287	499,781
Other (Specify):			0
Other (Specify):			0
<b>TOTAL REVENUE</b>	<b>\$1,406,958</b>	<b>\$16,527</b>	<b>\$1,423,485</b>
<b>SECTION IV - REIMBURSABLE EXPENSES</b>			
<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries	3,885,833	(10,585)	3,875,248
2000 Classified Salaries	2,643,791	(45,673)	2,598,118
3000 Employee Benefits	1,511,756	61,370	1,573,126
4000 Books and Supplies	659,013		659,013
5000 Services and Other Operating Expenses	2,011,359	(182,866)	1,828,493
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment ( <i>program-related</i> )	0	33,444	33,444
6500 Replacement Equipment ( <i>program-related</i> )	0	143,558	143,558
Depreciation or Use Allowance	87,791		87,791
Start-Up Expenses (service level exemption)	34,000		34,000
Budget Impasse Credit			0
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	<b>\$10,833,543</b>	<b>(\$752)</b>	<b>\$10,832,791</b>
<b>TOTAL ADMINISTRATIVE COSTS</b> (included in section IV above)	<b>\$1,538,545</b>	<b>\$86,349</b>	<b>\$1,624,894</b>
<b>FOR CDE-A&amp;I USE ONLY:</b>			

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:

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

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

YES

NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES

NO - Explain any discrepancies.

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

AUDITED ATTENDANCE AND FISCAL REPORT  
for California State Preschool Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202

Fiscal Year End: June 30, 2018 Contract No. CSPP-7015

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION V - SUPPLEMENTAL REVENUE</b>			
Enhancement Funding			\$0
Other (Specify): First Five	101,356	1,085	102,441
Other (Specify):			0
Other (Specify):			0
<b>TOTAL SUPPLEMENTAL REVENUE</b>	<b>\$101,356</b>	<b>\$1,085</b>	<b>\$102,441</b>

**SECTION VI - SUPPLEMENTAL EXPENSES**

<b>EXPENSES RELATED TO SUPPLEMENTAL REVENUE</b>			
1000 Certificated Salaries	\$9,342		\$9,342
2000 Classified Salaries	42,353	(1,864)	40,489
3000 Employee Benefits	11,019		11,019
4000 Books and Supplies	10,912	(77)	10,835
5000 Services and Other Operating Expenses	27,586	2,942	30,528
6000 Equipment/Other Capital Outlay	0	78	78
Depreciation or Use Allowance	144		144
Indirect Costs	0	6	6
<b>NONREIMBURSABLE EXPENSES</b>			
6100-6500 Nonreimbursable Capital Outlay			0
Other: e.g., Entertainment Expenses			0
Other (Specify):			0
Other (Specify):			0
<b>TOTAL SUPPLEMENTAL EXPENSES</b>	<b>\$101,356</b>	<b>\$1,085</b>	<b>\$102,441</b>

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

# Kidango, Inc.

## AUDITED ATTENDANCE AND FISCAL REPORT for California State Preschool Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202  
 Fiscal Year Ended: June 30, 2018 Contract No. CSPP-7014  
 Independent Auditor's Name: Moss Adams LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	1,767		1,767	1.1800	2,085.060
Full-time	9,693		9,693	1.0000	9,693.000
Three-quarters-time	340		340	0.7500	255.000
One-half-time	14,734		14,734	0.6193	9,124.766
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.4160	-
Full-time	-		-	1.2000	-
Three-quarters-time	29		29	0.9000	26.100
One-half-time	415		415	0.6193	257.010
<i>Limited and Non-English Proficient</i>					
Full-time-plus	10		10	1.2980	12.980
Full-time	4,441		4,441	1.1000	4,885.100
Three-quarters-time	19		19	0.8250	15.675
One-half-time	-		-	0.6193	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	18		18	1.2980	23.364
Full-time	124		124	1.1000	136.400
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6193	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6193	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>31,590</b>	<b>-</b>	<b>31,590</b>		<b>26,514.455</b>
<b>DAYS OF OPERATION</b>	<b>249</b>		<b>249</b>		
<b>DAYS OF ATTENDANCE</b>	<b>30,462</b>		<b>30,462</b>		

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

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

AUDITED ATTENDANCE AND FISCAL REPORT  
for California State Preschool Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202  
Fiscal Year End: June 30, 2018 Contract No. CSPP-7014

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION III - REVENUE</b>			
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$13,465		\$13,465
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Other (Specify):			0
Subtotal	\$13,465	\$0	\$13,465
Transfer from Reserve - General			0
Transfer from Reserve - Professional Development			0
Subtotal	\$0	\$0	\$0
Family Fees for Certified Children	55,914		55,914
Interest Earned on Apportionments			0
<b>UNRESTRICTED INCOME</b>			
Family Fees for Noncertified Children			0
Head Start Program (EC § 8235(b))			0
Other (Specify):			0
Other (Specify):			0
<b>TOTAL REVENUE</b>	<b>\$69,379</b>	<b>\$0</b>	<b>\$69,379</b>
<b>SECTION IV - REIMBURSABLE EXPENSES</b>			
<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries	304,671	(5,669)	299,002
2000 Classified Salaries	215,852		215,852
3000 Employee Benefits	126,867	8,161	135,028
4000 Books and Supplies	75,691	(4,963)	70,728
5000 Services and Other Operating Expenses	225,851	(87,851)	138,000
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)	0	90,322	90,322
Depreciation or Use Allowance	9,211		9,211
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	<b>\$958,143</b>	<b>\$0</b>	<b>\$958,143</b>
<b>TOTAL ADMINISTRATIVE COSTS (included in section IV above)</b>	<b>\$141,701</b>	<b>\$1,931</b>	<b>\$143,632</b>
<b>FOR CDE-A&amp;I USE ONLY:</b>			

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:  
Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):  YES  
 NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):  
 YES  
 NO - Explain any discrepancies.

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

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

AUD 8501, Page 3 of 4 (FY 2016-17) California Department of Education

# Kidango, Inc.

**AUDITED ATTENDANCE AND FISCAL REPORT**  
for California State Preschool Programs

Agency Name: Kidango, Inc. Vendor No. 01-B202

Fiscal Year End: June 30, 2018 Contract No. CSPP-7014

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION V - SUPPLEMENTAL REVENUE</b>			
Enhancement Funding			\$0
Other (Specify): First Five	13,367	(455)	12,912
Other (Specify):			0
Other (Specify):			0
<b>TOTAL SUPPLEMENTAL REVENUE</b>	<b>\$13,367</b>	<b>(\$455)</b>	<b>\$12,912</b>

**SECTION VI - SUPPLEMENTAL EXPENSES**

<b>EXPENSES RELATED TO SUPPLEMENTAL REVENUE</b>			
1000 Certificated Salaries			\$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses	13,367	(455)	12,912
6000 Equipment/Other Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
<b>NONREIMBURSABLE EXPENSES</b>			
6100-6500 Nonreimbursable Capital Outlay			0
Other: e.g., Entertainment Expenses			0
Other (Specify):			0
Other (Specify):			0
<b>TOTAL SUPPLEMENTAL EXPENSES</b>	<b>\$13,367</b>	<b>(\$455)</b>	<b>\$12,912</b>

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

AUDITED ATTENDANCE AND FISCAL REPORT  
for California State Preschool Programs

Agency Name: Kidango, Inc. on behalf of New Haven Unified School District Vendor No. 01-6124

Fiscal Year Ended: June 30, 2018 Contract No. CSPP-7017

Independent Auditor's Name: Moss Adams LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	-		-	1.1800	-
Full-time	-		-	1.0000	-
Three-quarters-time	-		-	0.7500	-
One-half-time	40,314		40,314	0.6193	24,966.460
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.4160	-
Full-time	-		-	1.2000	-
Three-quarters-time	-		-	0.9000	-
One-half-time	1,376		1,376	0.6193	852.157
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	17,033		17,033	0.6193	10,548.537
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6193	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6193	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>58,723</b>	<b>-</b>	<b>58,723</b>		<b>36,367.154</b>
<b>DAYS OF OPERATION</b>	<b>249</b>		<b>249</b>		
<b>DAYS OF ATTENDANCE</b>	<b>56,898</b>		<b>56,898</b>		

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

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

# Kidango, Inc.

## AUDITED ATTENDANCE AND FISCAL REPORT

for California State Preschool Programs

Agency Name: Kidango, Inc. on behalf of New Haven Unified School District

Vendor No. 01-6124

Fiscal Year End: June 30, 2018

Contract No. CSPP-7017

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION III - REVENUE</b>			
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$88,697		\$88,697
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Other (Specify):			0
Subtotal	\$88,697	\$0	\$88,697
Transfer from Reserve - General			0
Transfer from Reserve - Professional Development			0
Subtotal	\$0	\$0	\$0
Family Fees for Certified Children			0
Interest Earned on Apportionments			0
<b>UNRESTRICTED INCOME</b>			
Family Fees for Noncertified Children			0
Head Start Program (EC § 8235(b))			0
Other (Specify):			0
Other (Specify):			0
<b>TOTAL REVENUE</b>	\$88,697	\$0	\$88,697
<b>SECTION IV - REIMBURSABLE EXPENSES</b>			
<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries	694,660	46,380	741,040
2000 Classified Salaries	434,950	10,000	444,950
3000 Employee Benefits	272,049	11,196	283,245
4000 Books and Supplies	115,505	12,753	128,258
5000 Services and Other Operating Expenses	207,775	5,176	212,951
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment ( <i>program-related</i> )			0
6500 Replacement Equipment ( <i>program-related</i> )			0
Depreciation or Use Allowance	12,912		12,912
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	\$1,737,851	\$85,505	\$1,823,356
<b>TOTAL ADMINISTRATIVE COSTS</b> (included in section IV above)	\$247,373	\$12,940	\$260,313
<b>FOR CDE-A&amp;I USE ONLY:</b>			
<p>Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:                      Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):</p> <p><input checked="" type="checkbox"/> YES  <input type="checkbox"/> NO - Explain any discrepancies.</p> <p>Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):</p> <p><input checked="" type="checkbox"/> YES  <input type="checkbox"/> NO - Explain any discrepancies.</p>			
		<p>COMMENTS - If necessary, attach additional sheets to explain adjustments:</p>	

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



AUDITED ATTENDANCE AND FISCAL REPORT  
for California State Preschool Programs

Agency Name: Kidango, Inc. on behalf of San Lorenzo Unified School District Vendor No. 01-6130  
 Fiscal Year Ended: June 30, 2018 Contract No. CSPP-7021  
 Independent Auditor's Name: Moss Adams LLP

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	-		-	1.1800	-
Full-time	-		-	1.0000	-
Three-quarters-time	-		-	0.7500	-
One-half-time	3,942		3,942	0.6193	2,441.281
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.4160	-
Full-time	-		-	1.2000	-
Three-quarters-time	-		-	0.9000	-
One-half-time	34		34	0.6193	21.056
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	3,021		3,021	0.6193	1,870.905
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	16		16	0.6193	9.909
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6193	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>7,013</b>	<b>-</b>	<b>7,013</b>		<b>4,343.151</b>
<b>DAYS OF OPERATION</b>	<b>242</b>		<b>242</b>		
<b>DAYS OF ATTENDANCE</b>	<b>6,769</b>		<b>6,769</b>		

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

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

# Kidango, Inc.

## AUDITED ATTENDANCE AND FISCAL REPORT

for California State Preschool Programs

Agency Name: Kidango, Inc. on behalf of San Lorenzo Unified School District

Vendor No. 01-6130

Fiscal Year End: June 30, 2018

Contract No. CSPP-7021

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION III - REVENUE</b>			
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$12,526		\$12,526
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Other (Specify):			0
Subtotal	\$12,526	\$0	\$12,526
Transfer from Reserve - General			0
Transfer from Reserve - Professional Development			0
Subtotal	\$0	\$0	\$0
Family Fees for Certified Children			0
Interest Earned on Apportionments			0
<b>UNRESTRICTED INCOME</b>			
Family Fees for Noncertified Children			0
Head Start Program (EC § 8235(b))			0
Other (Specify):			0
Other (Specify):			0
<b>TOTAL REVENUE</b>	\$12,526	\$0	\$12,526
<b>SECTION IV - REIMBURSABLE EXPENSES</b>			
<i>Direct Payments to Providers (FCCH Only)</i>			\$0
1000 Certificated Salaries	80,299		80,299
2000 Classified Salaries	54,424		54,424
3000 Employee Benefits	31,114		31,114
4000 Books and Supplies	12,493		12,493
5000 Services and Other Operating Expenses	26,185		26,185
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)			0
Depreciation or Use Allowance	2,025		2,025
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit			0
Indirect Costs Rate: 0.00% (Rate is Self-Calculating)			0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	\$206,540	\$0	\$206,539
<b>TOTAL ADMINISTRATIVE COSTS (included in section IV above)</b>	\$29,102	\$1,818	\$30,920
<b>FOR CDE-A&amp;I USE ONLY:</b>			
<p>Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Education and Support Division:                      Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO): <b>COMMENTS - If necessary, attach additional sheets to explain adjustments:</b></p> <p><input checked="" type="checkbox"/> YES</p> <p><input type="checkbox"/> NO - Explain any discrepancies.</p> <p>Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):</p> <p><input checked="" type="checkbox"/> YES</p> <p><input type="checkbox"/> NO - Explain any discrepancies.</p>			

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

AUDITED FISCAL REPORT			
for CalWORKS, Alternative Payment or Family Child Care Home Programs			
Agency Name:	Kidango, Inc. on behalf of Community Family Services, Inc.		Vendor No. 01-B202
Fiscal Year End:	June 30, 2018	Contract No.	CFCC-7023
Independent Auditor's Name:	Moss Adams LLP		
	Column A	Column B	Column C
SECTION I - REVENUE	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500-AP	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs			\$0
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
Subtotal	\$0	\$0	\$0
TRANSFER FROM RESERVE ( <i>Alternative Payment Only</i> )			0
FAMILY FEES FOR CERTIFIED CHILDREN	17,579		17,579
INTEREST EARNED ON APPORTIONMENTS			0
<b>UNRESTRICTED INCOME</b>			
Other (Specify):			0
<b>TOTAL REVENUE</b>	\$17,579	\$0	\$17,579
<b>SECTION II - REIMBURSABLE EXPENSES</b>			
<i>Direct Payments to Providers</i>	\$694,722		\$694,722
1000 Certificated Salaries	0	2,749	2,749
2000 Classified Salaries	0	221,381	221,381
3000 Employee Benefits	0	44,484	44,484
4000 Books and Supplies	0	1,574	1,574
5000 Services and Other Operating Expenses	297,688	(285,047)	12,641
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment ( <i>program-related</i> )			0
6500 Replacement Equipment ( <i>program-related</i> )			0
Depreciation or Use Allowance	0	289	289
Indirect Costs. Rate: 0.00%			0
<b>NONREIMBURSABLE EXPENSES</b>			
6100-6500 Nonreimbursable Capital Outlay			0
Other (Specify):			0
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	\$992,410	(\$14,570)	\$977,840
<b>TOTAL ADMINISTRATIVE COSTS (included in Section II above)</b>	\$148,861	(\$2,206)	\$146,655
<b>DAYS OF OPERATION</b>	249		249
<b>FOR CDE-A&amp;I USE ONLY:</b>			
COMMENTS - If necessary, attach additional sheets to explain adjustments:			

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check box & omit page 2 if there are no supplemental revenues or expenses to report. California Department of Education  
 AUD 9500-AP, Page 1 of 2 (FY 2016-17)

**Supplemental Information for the  
County of Alameda Grants**

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**Kidango, Inc.**  
**Schedule of Alameda County Programs**  
**Year Ended June 30, 2018**

<u>Program Name</u>	<u>Contract Number</u>	<u>Procurement Contract Number</u>	<u>Contract Period</u>	<u>Contract Amount</u>	<u>Contract Earnings</u>
Alameda County					
Child Abuse Prevention Services	900186	#15277	7/1/17 – 6/30/18	\$ 69,384	\$ 69,360
Behavioral Health Care Services – EPDST	900186	#15233	7/1/17 – 6/30/18	\$ 723,517	\$ 661,852
Primary Care – EIS	900186	#15877	7/1/17 – 6/30/18	\$ 45,696	\$ 45,696
Department of Social Services	900186	#15489	7/1/17 – 6/30/18	\$ 50,653	\$ 50,653

**Kidango, Inc.**  
**Statement of Expenditures for County of Alameda Grants**  
**Year Ended June 30, 2018**

Program Name:	Child Abuse Prevention Services #15277	Behavioral Health Care Services – EPSDT #15233	Primary Care EIS #15877	Department of Social Services #15489
Procurement Contract Number:				
Contract Period:	<u>7/1/17 – 6/30/18</u>	<u>7/1/17 – 6/30/18</u>	<u>7/1/17 – 6/30/18</u>	<u>7/1/17 – 6/30/18</u>
<b>Contract Amount</b>	<u>\$ 69,384</u>	<u>\$ 723,517</u>	<u>\$ 45,696</u>	<u>\$ 50,653</u>
<b>Expenses</b>				
Salaries	\$ 62,958	\$ 535,811	\$ 38,304	\$ 50,653
Payroll taxes	4,579	39,520	2,930	-
Employee benefits	8,164	69,794	3,924	-
Books and supplies	479	10,079	-	-
Contract services and other expense:				
Professional and outside services	2,600	26,097	483	-
Rent and occupancy	1,805	57,971	-	-
Travel and training	6,978	19,397	-	-
Other expenses	2,074	31,838	55	-
Minor equipment and capital improvements	-	-	-	-
<b>Total expenses</b>	<u>89,637</u>	<u>790,507</u>	<u>45,696</u>	<u>50,653</u>
<b>Amount reimbursed by County</b>	<u>69,360</u>	<u>661,852</u>	<u>45,696</u>	<u>50,653</u>
<b>Revenue excess (deficit)</b>	<u>\$ (20,277)</u>	<u>\$ (128,655)</u>	<u>\$ -</u>	<u>\$ -</u>

**Kidango, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2018**

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**Section I - Summary of Auditor's Results**

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**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

**Identification of Major Federal Programs and Type of Auditor's Report Issued on Compliance for Major Federal Programs:**

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
93.600	Head Start	<i>Unmodified</i>
10.558	Child and Adult Care Food Program	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

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**Section II - Financial Statement Findings**

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None reported.

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**Section III - Federal Award Findings and Questioned Costs**

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None reported.

**Kidango, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2018**

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There were no findings in the prior year audit.



