



**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**(A California Not-for-Profit Corporation)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**



**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**TABLE OF CONTENTS  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

	<b>Page(s)</b>
Independent auditors' report	2 - 3
Consolidated statements of financial position	4
Consolidated statements of activities	5
Consolidated statement of functional expenses	6
Statement of functional expenses - Unity Council Programs Breakout	7
Statement of functional expenses - Unity Council Properties Breakout	8
Consolidated statements of cash flows	9
Notes to consolidated financial statements	10 - 30
Supplemental Information:	
Consolidating statement of financial position	32
Unity Council Properties statement of financial position	33
Consolidating statement of functional support, revenues and expenses	34
Unity Council Properties statement of functional support, revenues and expenses	35
Schedule of Federal and State Awards Passed Through the County of Alameda	36
Schedule of Expenditures of Federal Awards	37 - 39
Notes to the Schedule of Expenditures of Federal Awards	40
Other reports:	
Schedule of Findings and Questioned Costs	41
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements performed in accordance with <i>Government Auditing Standards</i>	42 - 43
Independent Auditors' Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance Required by Uniform Guidance	44 - 45



## Independent Auditors' Report

The Board of Directors  
Spanish Speaking Unity Council  
of Alameda County, Inc.

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Spanish Speaking Unity Council of Alameda County, Inc. (Unity Council) and Subsidiaries, which comprise the consolidated statements of financial position as of September 30, 2019 and September 30, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Las Bougainvilleas, a wholly-owned subsidiary, which statements reflect total assets of \$4,325,303 as of September 30, 2019, and total revenues of \$680,899 for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Las Bougainvilleas, is based solely on the report of the other auditors. 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Spanish Speaking Unity Council of Alameda County, Inc. and Subsidiaries as of September 30, 2019 and September 30, 2018 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Pages 31-38, including the accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*, 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2020 on our consideration of Spanish Speaking Unity Council of Alameda County, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Spanish Speaking Unity Council of Alameda County Inc.'s internal control over financial reporting and compliance.

*RINA Accountancy LLP*

Certified Public Accountants

Oakland, CA  
April 10, 2020

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

<u>ASSETS</u>	<u>Year Ended September 30, 2019</u>	<u>Year Ended September 30, 2018</u>
<b>CURRENT:</b>		
Cash and cash equivalents	\$ 11,524,087	\$ 5,750,288
Accounts and grants receivable	3,763,567	2,633,687
Deposits	6,500	59,976
Deferred charge	2,307,965	2,655,093
Prepaid expenses	194,224	163,377
TOTAL CURRENT ASSETS	17,796,343	11,262,421
<b>NONCURRENT:</b>		
Investment in Casa de las Flores	-	148,667
Investment in Fruitvale Transit Village II-A, L.P.	1,332,786	1,332,183
Restricted cash deposits and reserve for replacements	2,066,858	2,281,352
TOTAL NONCURRENT ASSETS	3,399,644	3,762,202
PROPERTY, PLANT AND EQUIPMENT, NET	48,368,007	40,218,426
TOTAL ASSETS	\$ 69,563,994	\$ 55,243,049
<u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and other accrued expenses	\$ 3,628,370	\$ 1,009,079
Accrued payroll and benefits expense	1,005,870	1,203,335
Deferred revenue	969,934	882,228
Deposits payable	248,937	216,205
Loans payable - current portion	13,603,682	971,894
TOTAL CURRENT LIABILITIES	19,456,793	4,282,741
<b>LONG-TERM:</b>		
Accrued interest payable	1,910,242	1,203,785
Loans payable	18,173,790	17,926,515
Down payment assistance and home rescue loan funds	-	83,005
TOTAL LONG-TERM LIABILITIES	20,084,032	19,213,305
TOTAL LIABILITIES	39,540,825	23,496,046
<b>NET ASSETS:</b>		
Without donor restrictions:		
Controlling interests	26,910,929	25,913,061
Non-controlling interests	-	-
Total without donor restrictions	26,910,929	25,913,061
With donor restrictions	3,112,240	5,833,942
TOTAL NET ASSETS	30,023,169	31,747,003
TOTAL LIABILITIES AND NET ASSETS	\$ 69,563,994	\$ 55,243,049

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

**YEAR ENDED SEPTEMBER 30, 2019**

**(With Comparative Totals for the year ended September 30, 2018)**

	Without Grantor Restriction	With Grantor Restriction	Total	2018
<b>SUPPORT AND REVENUES:</b>				
Private support and revenues:				
Donations:				
Corporations and businesses	\$ 443,924	\$ -	\$ 443,924	\$ 413,384
Individuals and other	167,305	-	167,305	73,028
Total donations	611,229	-	611,229	486,412
Agencies and intermediaries	386,575	11,000	397,575	137,276
Foundations	346,188	1,216,159	1,562,347	2,032,549
Contract and program revenues	587,627	113,457	701,084	1,592,482
Rental	4,985,949	-	4,985,949	6,414,376
Rental subsidy	2,300,730	-	2,300,730	-
Interest from investments	9,298	-	9,298	25,761
Miscellaneous	279,134	1,500	280,634	31,359
Total private support and revenues	9,506,730	1,342,116	10,848,846	10,720,215
Government support and revenues	14,071,388	173,346	14,244,734	12,896,809
Net assets released from restrictions:				
Satisfaction of program restrictions	4,237,164	(4,237,164)	-	-
<b>TOTAL SUPPORT AND REVENUES</b>	<b>27,815,282</b>	<b>(2,721,702)</b>	<b>25,093,580</b>	<b>23,617,024</b>
<b>EXPENSES:</b>				
Unity Council:				
Program	16,111,723	-	16,111,723	14,443,674
Management and general	2,107,244	-	2,107,244	1,901,691
Fundraising and development	897,359	-	897,359	481,222
Unity Council Properties	7,278,287	-	7,278,287	6,400,533
Posada de Colores LP	1,132,225	-	1,132,225	1,149,755
<b>TOTAL EXPENSES</b>	<b>27,526,838</b>	<b>-</b>	<b>27,526,838</b>	<b>24,376,875</b>
<b>CHANGE IN NET ASSETS</b>	<b>288,444</b>	<b>(2,721,702)</b>	<b>(2,433,258)</b>	<b>(759,851)</b>
<b>NET ASSETS, beginning of year (as restated)</b>	<b>26,622,485</b>	<b>5,833,942</b>	<b>32,456,427</b>	<b>32,506,854</b>
<b>NET ASSETS, end of year</b>	<b>\$ 26,910,929</b>	<b>\$ 3,112,240</b>	<b>\$ 30,023,169</b>	<b>\$ 31,747,003</b>

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED SEPTEMBER 30, 2019**

	Unity Council Programs	Unity Council Properties	Peralta Service Corporation	Posada de Colores LP	Management and General	Fundraising	Unconsolidated Total	Eliminations	Consolidated Total
<b>Personnel:</b>									
Salaries and wages	\$ 8,036,796	\$ 250,215	\$ 1,007,660	\$ 353,051	\$ 932,945	\$ 336,325	\$ 10,916,993	\$ -	\$ 10,916,993
Fringe benefits and taxes	2,236,926	202,565	201,447	148,373	133,987	55,960	2,979,257	-	2,979,257
Total personnel	10,273,722	452,780	1,209,107	501,424	1,066,932	392,285	13,896,250	-	13,896,250
<b>Non-personnel</b>									
Contract services	663,537	1,038,060	-	117,416	55,148	61,334	1,935,495	(1,244,472)	691,023
Audit and legal fee	139,359	34,049	33,960	-	31,920	-	239,288	-	239,288
Other contract services	511,528	451,969	210,699	-	43,457	-	1,217,653	-	1,217,653
Professional services	222,225	573,939	-	-	173,270	31,052	1,000,486	(210,697)	789,789
Operating costs	754,400	402,266	28,316	170,605	259,040	33,138	1,647,766	(644,604)	1,003,162
Occupancy costs	2,103,797	571,244	44,804	112,728	125,066	-	2,957,640	(616,045)	2,341,595
Interest and financing	50	797,310	-	-	37,609	3,259	838,228	-	838,228
Program and project costs	416,048	1,014,745	97,120	230,052	962	-	1,758,927	-	1,758,927
Participant costs	455,619	-	-	-	10,085	-	465,704	-	465,704
Other program costs	1,358,905	-	-	-	13,905	2,823	1,375,634	-	1,375,634
Special events and projects	43,571	-	-	-	72,784	-	116,355	-	116,355
Depreciation	257,765	1,941,925	3,008	-	217,066	373,467	2,793,231	-	2,793,231
Total non-personnel	6,926,804	6,825,507	417,908	630,801	1,040,312	505,073	16,346,406	(2,715,818)	13,630,588
Total functional expenses	\$ 17,200,526	\$ 7,278,287	\$ 1,627,015	\$ 1,132,225	\$ 2,107,244	\$ 897,358	\$ 30,242,656	\$ (2,715,818)	\$ 27,526,838

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**STATEMENTS OF FUNCTIONAL EXPENSES – UNITY COUNCIL PROGRAMS BREAKOUT**

**YEAR ENDED SEPTEMBER 30, 2019**

	Real Estate Development & Management	Community Programs	Child and Family Services	Casitas of Hayward	Unity Council Programs Total
Personnel:					
Salaries and wages	\$ 292,176	\$ 1,395,932	\$ 6,348,688	\$ -	\$ 8,036,796
Fringe benefits and taxes	54,774	375,744	1,806,408	-	2,236,926
Total personnel	<u>346,950</u>	<u>1,771,676</u>	<u>8,155,096</u>	<u>-</u>	<u>10,273,722</u>
Non-personnel					
Occupancy costs	165,506	276,482	1,661,809	-	2,103,797
Other program costs	360,915	559,164	438,826	-	1,358,905
Operating costs	23,482	159,151	568,801	2,966	754,400
Contract services	17,257	14,079	409,476	222,725	663,537
Other contract services	7,688	73,360	430,480	-	511,528
Participant costs	-	201,442	254,177	-	455,619
Program and project costs	62,787	237,894	115,367	-	416,048
Depreciation	-	-	257,765	-	257,765
Professional services	1,545	50,940	169,740	-	222,225
Audit and legal fee	6,822	15,397	117,140	-	139,359
Special events and projects	-	43,571	-	-	43,571
Interest and financing	50	-	-	-	50
Total non-personnel	<u>646,052</u>	<u>1,631,480</u>	<u>4,423,581</u>	<u>225,691</u>	<u>6,926,804</u>
Total functional expenses	<u>\$ 993,002</u>	<u>\$ 3,403,156</u>	<u>\$ 12,578,677</u>	<u>\$ 225,691</u>	<u>\$ 17,200,526</u>

See notes to consolidated financial statements.



**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**STATEMENT OF FUNCTIONAL EXPENSES – UNITY COUNCIL PROPERTIES BREAKOUT**

**YEAR ENDED SEPTEMBER 30, 2019**

	<u>Las Bougainvilleas</u>	<u>Fruitvale Development Corporation</u>	<u>Casa Velasco</u>	<u>Posada de Colores 501(c)(3)</u>	<u>Unity Council Properties Total</u>
Personnel:					
Salaries and wages	\$ 96,208	\$ 112,627	\$ 24,725	\$ 16,655	\$ 250,215
Fringe benefits and taxes	81,972	92,150	20,565	7,878	202,565
Total personnel	<u>178,180</u>	<u>204,777</u>	<u>45,290</u>	<u>24,533</u>	<u>452,780</u>
Non-personnel					
Depreciation	180,839	1,761,086	-	-	1,941,925
Contract services	51,502	933,059	38,999	14,500	1,038,060
Program and project costs	224,590	635,167	154,988	-	1,014,745
Interest and financing	48,808	726,293	22,209	-	797,310
Professional services	-	573,939	-	-	573,939
Occupancy costs	61,778	460,807	43,641	5,018	571,244
Other contract services	65,517	332,570	53,882	-	451,969
Operating costs	134,062	202,724	23,313	42,167	402,266
Audit and legal fee	-	34,049	-	-	34,049
Participant costs	-	-	-	-	-
Other program costs	-	-	-	-	-
Special events and projects	-	-	-	-	-
Total non-personnel	<u>767,096</u>	<u>5,659,694</u>	<u>337,032</u>	<u>61,685</u>	<u>6,825,507</u>
Total functional expenses	<u>\$ 945,276</u>	<u>\$ 5,864,471</u>	<u>\$ 382,322</u>	<u>\$ 86,218</u>	<u>\$ 7,278,287</u>

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<u>Year Ended</u> <u>September 30, 2019</u>	<u>Year Ended</u> <u>September 30, 2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (2,433,258)	\$ (759,851)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,423,629	2,720,548
Deferred interest on long-term mortgage	706,457	(281,441)
(Increase) decrease in:		
Accounts and grants receivable	(1,129,880)	(297,977)
Deposits	53,476	(65)
Deferred charge - ground lease rent	347,128	158,194
Prepaid expenses	(30,847)	12,360
Increase (decrease) in:		
Accounts payable	2,619,291	129,071
Accrued payroll and benefits	(197,465)	486,601
Deferred revenue	87,706	(108,741)
Deposits payable	32,732	151,467
	<u>2,478,969</u>	<u>2,210,166</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Decrease (increase) in restricted cash deposits	214,494	(24,516)
Proceeds (advances) in Fruitvale Transit Village II-A, L.P. investment	-	(7,992)
Casa de Las Flores (Casa Velasco consolidated FYE 2019)	148,064	-
Repayment of advance to Fruitvale Transit Village Phase II-A, L.P.	-	1,500,000
Casa Velasco (consolidated for FYE 2019)	709,424	-
Purchase of property, plant and equipment	(1,356,494)	(665,755)
Decrease (increase) in preconstruction costs	(9,216,717)	34,963
	<u>(9,501,229)</u>	<u>836,700</u>
<b>NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Oakland Joint Powers Bond payoff	(12,490,000)	-
City of Oakland EEC payoff	(1,225,954)	-
Debt issuance - LISC	7,000,000	-
Debt issuance - Capital Impact Partners	7,000,000	-
Debt issuance - Wells Fargo Construction	13,166,052	-
Principal payments - outstanding debt instruments	(654,039)	(1,257,557)
	<u>12,796,059</u>	<u>(1,257,557)</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>5,773,799</b>	<b>1,789,309</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>5,750,288</b>	<b>3,960,979</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 11,524,087</b>	<b>\$ 5,750,288</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest	\$ 1,119,617	\$ 545,745

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 1. FINANCIAL REPORTING ENTITY:**

Organization and consolidated entities:

**Spanish Speaking Unity Council of Alameda County, Inc. (Unity Council)** was organized in 1964 and has provided over 50 years of leadership in community advocacy, social service delivery, and economic development aimed at enriching the quality of life of families and children in the Fruitvale neighborhood, the City of Oakland and the San Francisco East Bay. The Unity Council promotes minority leadership, and the enhancement of social and economic opportunities for immigrants and people of low income in the community.

**Posada de Colores** is an unincorporated 100-unit apartment complex located in Oakland, California. Until its sale on October 31, 2018 for \$20,233,487 to Posada de Colores, Limited Partnership, it was a U.S. Department of Housing and Urban Development funded unincorporated entity wholly owned by the Unity Council. The purpose of the sale was to refinance and thereby generate funds to rehabilitate the property. The new debt is disclosed in Note 11.

**Posada de Colores, Limited Partnership (Posada, LP)**, a California limited partnership, was formed November 29, 2016 to acquire and rehabilitate the Posada property (the project). The project is currently under rehabilitation which is expected to be completed in 2020. The general partner, Posada de Colores, a California limited liability company, is owned by the Unity Council. The limited partner is NEF Assignment Corporation, an Illinois not-for-profit corporation. The project is regulated as to rent charges, operating methods and other matters under the terms of regulatory agreements.

The project is expected to qualify for low-income housing credits pursuant to the Internal Revenue Code Section 42 which regulates the project. The project must meet the provisions of these requirements during each of the 15 consecutive years in order to remain qualified to receive the credits. In addition, Posada, LP is subject to land use restriction which requires the utilization of the project pursuant to Section 42 for a minimum of 55 years, even if Posada, LP disposes of the project.

**Las Bougainvilleas Senior Housing, Inc. (Las Bougainvilleas)** is a nonprofit public benefit corporation formed and controlled by the Unity Council. Las Bougainvilleas is consolidated in these financial statements since a majority of the board of directors sit on the board of directors of the Unity Council. It was funded in 1997 under a HUD Section 202 Elderly Housing Capital Advance Grant in the amount of \$5.8 million and a 40-year deferred loan of \$803,000 from the City of Oakland. Las Bougainvilleas is a 68-unit HUD apartment complex located in Oakland, California.

**Peralta Service Corporation (PSC)** is a nonprofit corporation, wholly owned subsidiary of the Unity Council formed to provide employment training and job opportunities for low income and disadvantaged individuals. They provide maintenance, landscaping and Safety Neighborhood Ambassador Program (SNAP) to various companies, organizations as well as the Fruitvale Village other Unity Council program sites.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 1. FINANCIAL REPORTING ENTITY (Continued):**

Organization and consolidated entities (continued):

**Casitas of Hayward, Inc. (COH)** is a non-profit support corporation formed and controlled by the Unity Council. COH was founded in 1974 to develop and manage senior housing projects and is one of two general partners for Casa Velasco Associates, along with Casa de Las Flores. On May 1, 2012, COH began managing the Unity Council's portfolio of senior housing projects as the property management agent, approved by HUD, the City of Oakland, and other regulators. COH contracts directly with the senior housing projects and also contracts with the Unity Council for management and operational staff. COH is consolidated in these financial statements since a majority of its board of directors sits on the board of directors of the Unity Council and the majority of its financial activity is with the Unity Council.

**Unity Council Transit Village II-A, LLC (The LLC)** is a single member limited liability nonprofit corporation formed in 2015 and controlled by the Unity Council to invest in Fruitvale Village Transit II-A, L.P. The L.P. was formed to develop and build low and moderate income housing on a tract adjacent to the Fruitvale Transit Village (Phase II). The LLC is entitled to 35% of the eventual net proceeds from the project. The East Bay Asian Local Development Corporation (EBALDC) has a 64% interest and a special limited partner has 1%.

**Capital Development Group, Inc. (CDG)** is a wholly owned subsidiary of the Unity Council incorporated in 1982 in the State of California. CDG will be used in the future as a real estate development entity.

**Fruitvale Development Corporation, Inc. (FDC or the Corporation)** is a nonprofit public benefit corporation formed in 1996 by the Unity Council. The Corporation was organized on February 5, 1996 to plan, develop, rehabilitate, construct and manage housing (for moderate and low income families and the elderly), commercial, transit and other facilities to combat the deterioration of the Fruitvale area in Oakland. The Corporation completed the construction of the Fruitvale Village (the Project) in 2004. Real property is the Masonic Temple and the Public Market, which are separate buildings. The operations of the Corporation are funded primarily through rentals and at times through various contracts and grants from federal, state and local governments, foundations, and corporations.

A majority of the FDC board of directors sits on the board of directors of the Unity Council. In accordance with professional accounting standards, FDC is consolidated into the Unity Council's financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 1. FINANCIAL REPORTING ENTITY (Continued):**

Organization and consolidated entities (continued):

**Casa de Las Flores (CDLF)** is a California limited partnership in which the Unity Council serves as the general partner. Along with COH, CDLF serves as a co-general partner in Casa Velasco Associates, a California limited partnership. The purpose of the partnership is to provide low-income housing to elderly and disabled persons. The Unity Council's investment in CDLF consists of \$148,667 as of September 30, 2018. For the year ended September 30, 2019 this investment was eliminated as part of the consolidation of Casa Velasco. The initial equity in CDLF came from the conversion of a \$150,000 payable CDLF owed to the Unity Council to an equity interest in CDLF and syndication costs and losses from CDLF's investment in Casa Velasco Associates. The \$150,000 investment was created when the Unity Council used \$150,000 in grant funds received from NeighborWorks America to finance certain improvements to assets owned by CDLF

**Casa Velasco Associates (Casa Velasco)** is a 20-unit low income apartment complex located in Oakland, California. Casa Velasco Associates, a California limited partnership, was formed on January 20, 2003. Effective December 31, 2018 the ownership structure of Casa Velasco Associates changed. The investor limited partner, National Equity Fund, withdrew their partnership interest for \$1. At the same time, the Unity Council was admitted as the sole limited partner.

On January 28, 2019, Casa de las Flores, with a partnership interest of 0.005%, withdrew as the administrative general partner and Casitas of Hayward Inc., the managing general partner, with a partnership interest of 0.005%, increased their partnership interest to 0.01%, in order to simplify the ownership structure.

The project participates in the low-income housing tax credit program under Section 42 of the Internal Revenue Code as modified by the State of California. Various loan, regulatory and other agreements dictate the maximum income levels of new tenants and provide rent and other restrictions through 2058.

**Note 2. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Consolidation:

The accompanying consolidated financial statements include the accounts of the Unity Council, Fruitvale Development Corporation, Peralta Services Corporation, Posada de Colores, Posada LP, Casitas of Hayward, Casa Velasco and Las Bougainvilleas. Inter-entity transactions and balances have been eliminated in consolidation.

Basis of presentation:

In accordance with professional accounting standards, the Unity Council reports its financial position and its activities according to the following net asset classifications: Without donor restrictions (including board designated amounts) and with donor restrictions. A description of the two net asset categories follows:

***Net assets without donor restriction*** – Net assets without donor restriction represent net assets that are not subject to donor-imposed stipulations.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 2. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued):**

Basis of presentation (continued):

*Net assets with donor restriction* - Net assets with donor restriction represent net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Unity Council and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. See Note 12 for detailed disclosures related to net assets.

Revenue recognition:

Support and revenues from donations without donor-imposed restrictions are reported as support without donor restriction in the period received. Support and revenues from donations with donor-imposed restrictions are reported as support with donor restriction in the period received.

Government and local grants and contracts are recognized as revenue to the extent of qualifying expenditures being incurred. Amounts received prior to incurring qualifying expenses are classified in the financial statements as deferred revenue. In addition, government and local grants and contracts with donor-imposed restrictions whose restrictions are met in the same year are reported initially as with donor restriction, and then the net assets are released from restriction and recorded as revenues without donor restriction.

Contributions of long-lived assets without stipulations that limit the use of the donated asset are reported as support without donor restriction. Contributions of long-lived assets with stipulations that limit the use of the donated assets are reported as assets with donor restriction. When a donor restriction expires, a stipulated time restriction ends or the restricted purpose is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Property and equipment, which are donated or acquired with resources restricted for such acquisition (capital grants), are considered to be without donor restriction when placed into service.

Cash and cash equivalents:

The Unity Council considers all cash accounts with an initial maturity of three months or less to be cash and cash equivalents for purposes of the statement of cash flows, except for legally restricted amounts for reserve for replacements and tenant security deposits for Posada, LP and Las Bougainvilleas.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 2. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued):**

Accounts receivable and grants receivable:

Accounts receivable and grants receivable consist primarily of amounts related to contracts that the Unity Council has with various governmental agencies as well as monies due for tenant receivables. Although the Unity Council is on the allowance method, management has determined that an allowance for bad debts is not required. Accounts and contracts receivable include various third party payment arrangements that are stated at the amount management expects to collect. Accounts that are deemed uncollectible are charged to expense in the period collection efforts have been exhausted and the accounts become worthless. Pledges receivable are recorded at the time the pledge is received. Pledges having amounts due over 1 or more years are discounted to present value.

Investments:

The Unity Council invests in various investments. Investments are exposed to risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Professional accounting standards has established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

---

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Unity Council has the ability to
---------	--

---

Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data, by correlation or other means.</li></ul> <p>If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</p>
---------	---

---

Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.
---------	---

---

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 2. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued):**

Investments (continued):

Management has considered that the Fruitvale Village Transit II-A, L.P. is a Level 3 investment. The Fruitvale Village Transit II-A is now in-service and its cost equals its fair market value.

Intangible assets:

Professional accounting standard requires intangible assets with indefinite lives to be reviewed annually for impairment, or more frequently if events or changes in circumstances indicate any impairment. There are no intangible assets held by Unity Council as of September 30, 2019 and 2018.

Property and equipment:

Land, buildings, building and leasehold improvements, furniture and equipment are recorded at cost or, if donated, at the estimated fair market value at the time of donation. With the exception of land, depreciation is recorded on the straight-line method over the estimated useful lives of the assets.

The estimated useful lives are as follows:

Buildings	30 – 40 years
Building improvements	10 – 15 years
Furniture and equipment	5 – 10 years

The Unity Council's policy is to capitalize fixed assets costing in excess of \$5,000 with an estimated useful life of greater than one year.

Professional accounting standards require recording of an asset and related liability for costs associated with the retirement of long-lived tangible assets when an unconditional legal obligation to perform a retirement activity exists. The Unity Council is not aware of any specific, unconditional legal obligations which, individually or in the aggregate, are material to the Unity Council's financial position.

The Unity Council evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered.

Restricted cash deposits:

Restricted cash deposits represent the reserve for replacements and residual receipts accounts of Las Bougainvilleas, along with a specific account reserved by contract by the Unity Council. The accounts for Las Bougainvilleas are maintained in money market passbook accounts or certificates of deposit and require approval from HUD to release the funds. A designation of net assets with donor restriction has been recorded for deposits made in Unity Council and Las Bougainvilleas, accounts in the consolidated financial statements. Restricted cash deposits also included a \$500,000 certificate of deposit that was pledged as collateral for a predevelopment loan for the year ended September 30, 2018. The \$500,000 was released from restricted cash for the year ended September 30, 2019 as part of the sale of Posada de Colores to Posada, LP.



**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 2. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued):**

Restricted cash deposits (continued):

Restricted cash deposits for FDC represent the reserve for replacement and operating reserve required by the LISC debt agreement. The reserve for replacement requires an annual contribution of \$300 per residential unit and twenty cents per square foot for commercial units. The operating reserve requires FDC maintain a balance equal to the greater of three months of operating expenses and three months of debt service or the amount required by the City of Oakland under the terms of its regulatory agreement.

Deferred revenue:

The Unity Council defers revenue on contracts and programs for which funds are received in advance of performing the services on those contracts.

Deposits:

Deposits in the consolidated financial statements represent utility deposits and tenant security deposits. The deposits are held in separate bank accounts and restricted in use to payment of delinquent rents, or refunds to tenants upon their leaving the housing unit.

Income taxes:

The Unity Council, Fruitvale Development Corporation, Las Bougainvilleas, Posada de Colores, Peralta Service Corporation, and COH are tax-exempt corporations under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. CDG is a corporation subject to federal and state income taxes on its taxable income. CDLF is a partnership. Income tax on the income from CDLF is the responsibility of the partners. Posada LP is a limited partnership. Income tax on the income from Posada, LP is the responsibility of its partners.

Recent accounting pronouncements:

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this update are designed to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's (NFP's) liquidity, financial performance, and cash flows. The Unity Council has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied to all periods presented other than the updated presentation for the statement of functional expenses which is presented for the year ended September 30, 2019 only.

On June 21, 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Update is effective to annual periods beginning after December 15, 2019. Early adoption is permitted. The Unity Council is currently evaluating the effect that the updated standard will have on its financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 2. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued):**

Recent accounting pronouncements (continued):

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* which affects any entity that enters into contracts with customers to transfer goods or services. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for annual reporting periods beginning after December 15, 2018. Early adoption is not permitted. The Unity Council is currently evaluating the effect that the updated standard will have on its financial statements.

Reclassifications:

Certain amounts appearing in the 2018 financial statements may have been reclassified to conform to the 2019 presentation. The reclassifications have no effect on reported amounts of total net assets or change in total net assets.

**Note 3. NATURE OF ESTIMATES:**

Preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and certain footnote disclosures. The actual results could differ from those estimates.

**Note 4. CONCENTRATIONS:**

Financial instruments that potentially subject the Unity Council to concentrations of credit risk consist principally of cash, accounts, and grants receivable. The Unity Council places its cash with high credit quality financial institutions. At times, the account balances may exceed the institution's federal insured limits. The Unity Council has not experienced and does not anticipate any losses in such accounts.

**Note 5. LIQUIDITY AND AVAILABILITY:**

The Unity Council regularly monitors liquidity required to meet its operating needs and other contractual commitments. In addition to financial assets available to meet general expenditures over the next 12 months, the Unity Council operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

The Unity Council's governing board has designated a portion of its net assets without donor restriction for reserves with the intention of having three months of reserves on-hand by September 30, 2020. These amounts are identified as board designated. In the event the need arises to utilize the board designated funds for short term liquidity purposes, the reserves can be drawn upon. At September 30, 2019 \$1,715,000 of the reserves have been used for operations due to delays in signing government contracts and in receipt of government funds. At September 30, 2020, \$1,350,000 is expected to be returned to reserves.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 5. LIQUIDITY AND AVAILABILITY (Continued):**

The Unity Council is the owner and project sponsor for affordable housing. Cash held at these individual operating entities within the Unity Council’s properties and affiliates, regulated by HUD, are unavailable for use outside the respective entity. Project operations are designed to break-even. In addition to the financial assets available to meet cash needs for general expenditures within one year, certain properties and affiliates consolidating entities have access to certain operating reserves within restricted cash deposits and reserves for replacement in the event of an unanticipated liquidity need. Disbursements from these reserves require approval of the lender and the investor partner in most instances.

The Unity Council has roughly \$4.3 million (\$3.9 million is Board Designated) of cash held by a bank to ensure environmental remediation is complete on an affordable housing property currently being rehabbed. The funds are expected to be released within the next 12 months and will fund the reserve account. The Unity Council has grant funds that are restricted for real estate development until the funds have been used for that purpose. If the funds are returned, they become unrestricted. The Unity Council has elected to continue to use those funds for real estate development. The Unity Council has a line of credit described in Note 11 for use in the real estate development of Phase II-B, a project described in Note 7. Payment of the \$13,069,747 current portion of the note payable for Posada, LP is due to construction financing during rehabilitation and will be paid from permanent long-term financing when construction is completed in 2020.

The Unity Council has \$3.1 million of net assets with donor restriction as of September 30, 2019, see Note 12 for detail. The Unity Council intends to spend these funds during the year ended September 30, 2020 on the programs the net assets are restricted for use on. The following table reflects the Unity Council’s financial assets as of September 30, 2019 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because cash balances are restricted or internal board designation:

Financial assets:	
Cash and cash equivalents	\$ 11,524,087
Accounts receivable	<u>3,763,567</u>
Total current assets	15,287,654
Less amounts unavailable for general expenditures within one year:	
Cash held for environmental remediation - portion designated by board for reserves when released	(3,885,832)
Board designated reserves	<u>(1,884,770)</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u><u>\$ 9,517,052</u></u>

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 6. ACCOUNTS AND GRANTS/CONTRACTS RECEIVABLE:**

Receivables consisted of the following at September 30:

	<u>2019</u>	<u>2018</u>
<b>Spanish Speaking Unity Council</b>		
Gala	\$ 166,065	\$ 109,432
Trade receivables - Peralta Service Corporation	190,636	149,715
Subtotal	<u>356,701</u>	<u>259,147</u>
<b>Real Estate Development &amp; Management</b>		
Douglas Parking	31,904	28,409
Property Management Subsidies & Management Fees	282,157	-
Subtotal	<u>314,061</u>	<u>28,409</u>
<b>Community &amp; Family Asset Development</b>		
City of Oakland - WIA/WIOA/Sector Access	122,719	35,196
City of Oakland - ELEB	144,224	66,733
State of California - EDD	22,570	-
Oakland Unified School Dist. - Latino Men & Boys	-	42,380
County of Alameda - Latino Men & Boys	40,486	77,844
City of Oakland - WIOA/Youth	53,887	-
City of Oakland - OFCYLMA	19,360	19,890
Alameda County Cal Fresh Job Training	-	13,987
Alameda County Medical Asst Training	71,104	85,202
Alameda County - OCAP	19,820	16,333
Enterprise Community Partners	38,920	11,644
City of Oakland - Career Center	51,310	31,836
City of Oakland - Senior Center	50,672	60,931
Alameda County - Senior Center	12,430	13,671
Neighbor Works - Project Reinvest	-	3,229
Anew American	-	12,500
Local Initiative Support Corporation	-	10,292
Grants and Other Receivables < \$10K	8,585	20,634
Subtotal	<u>656,087</u>	<u>522,302</u>
<b>Child Development</b>		
City of Oakland - HS	556,638	525,319
City of Oakland - EHS	691,559	542,388
Contra Costa County - HS/EHS	132,525	310,644
Dept of HHS - EHSE	75,236	14,553
Alameda County - CalSafe	51,200	31,729
Oakland Unified School Dist. - CCTR	91,981	43,878
CA Dept. of Education - CSPP	503,960	85,929
CA Dept. of Education	72,950	92,778
Kidango CCTR	260,669	176,611
Subtotal	<u>2,436,718</u>	<u>1,823,829</u>
<b>TOTALS</b>	<u>\$ 3,763,567</u>	<u>\$ 2,633,687</u>

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 7. INVESTMENT IN FRUITVALE VILLAGE PHASE II:**

*Fruitvale Transit Village Phase II Land Transaction:*

On October 29, 2010, the Unity Council participated in the purchase of a parcel of land known as Fruitvale Transit Village Phase II (FTV P- II). FTV P-II is the planned site for a dense, mixed-use 275 unit housing project that is being developed by the Unity Council. The Unity Council negotiated a land transaction between BART and the City of Oakland Redevelopment Agency, in which the Redevelopment Agency acquired the FTV P- II land from BART.

On September 4, 2014, a memorandum of understanding (MOU) was executed between Unity Council and the East Bay Asian Local Development Corporation (EBALDC) and a partnership was formed (Fruitvale Transit Village II-A, L.P.) in 2015 to develop 94 units of low income housing. On March 24, 2017, a MOU was executed between the Unity Council and Bridge Housing to develop 181 units of housing (Phase II-B). The City had previously granted site control on November 18, 2014 to the Unity Council. On July 31, 2019, the Unity Council and Bridge Housing Corporation (Bridge) joint guaranty \$1,000,000 loan by Raza Development Fund, Inc. (Lender). This fund is for Fruitvale Phase IIB LLC. Bridge is managing the draw process for this project, so Unity Council won't be drawing any funds from these sources, Unity Council is the repayment guarantor.

The Unity Council advanced \$1,500,000 to Fruitvale Transit Village II-A to be used for predevelopment costs. The advance was repaid to Unity Council on December 26, 2017 when the construction financing for the project closed. Fruitvale Transit Village II-A LP, project named Casa Arabella completed construction on November 2019, and fully occupied on December 2019.

**Note 8. FAIR VALUE MEASUREMENTS:**

The following table sets forth by level, the fair value hierarchy of the Unity Council's investments at fair value as of September 30, 2019 and September 30, 2018:

	Investments at Fair Value as of September 30, 2019			
	Level 1	Level 2	Level 3	Total
Casa de las Flores	\$ -	\$ -	\$ -	\$ -
Fruitvale Village Transit II-A, L.P.	-	-	1,332,786	1,332,786
Investments at fair value	\$ -	\$ -	\$ 1,332,786	\$ 1,332,786

  

	Investments at Fair Value as of September 30, 2018			
	Level 1	Level 2	Level 3	Total
Casa de las Flores	\$ -	\$ -	\$ 148,667	\$ 148,667
Fruitvale Village Phase II	-	-	1,332,183	1,332,183
Investments at fair value	\$ -	\$ -	\$ 1,480,850	\$ 1,480,850

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 8. FAIR VALUE MEASUREMENTS (Continued):**

Level 3 Gains and Losses and other activity:

The following table sets forth a summary of changes in the fair value of the Unity Council's Level 3 investments for the year ended September 30, 2019:

Balance, beginning of the year	\$ 1,480,850
Expenses	-
Transfers to Fruitvale Village Transit II-A, L.P.	-
Purchases, sales, issuances, and settlements (net)	<u>(148,064)</u>
Balance, end of year	<u>\$ 1,332,786</u>

**Note 9. PROPERTY, PLANT AND EQUIPMENT:**

The balances of property, plant and equipment, at cost, are as follows at September 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 7,262,765	\$ 4,433,196
Furniture and fixtures	1,756,812	2,261,482
Construction in process	10,653,756	1,437,039
Buildings and building improvements	<u>83,266,872</u>	<u>71,131,966</u>
	102,940,205	79,263,683
Less accumulated depreciation	<u>54,572,198</u>	<u>39,045,257</u>
Totals	<u>\$ 48,368,007</u>	<u>\$ 40,218,426</u>

Depreciation expense for the fiscal year ended September 30, 2019 and 2018 was \$2,423,629 and \$2,720,548, respectively.

**Note 10. GROUND LEASE WITH THE BAY AREA RAPID TRANSIT DISTRICT:**

On October 1, 2001, the FDC entered into a 95-year ground lease, including options, with the San Francisco Bay Area Rapid Transit District (BART) for the purpose of constructing commercial, community service and residential improvements for the Project. During the fiscal year ended September 30, 2002, the Corporation received a rent credit from BART at a value of \$7,247,134, which was recorded as a deferred charge on the statement of financial position. Based on the BART ground lease agreement, the Corporation earned simple interest (at Prime) on this asset between December 1, 2003 and October 29, 2010. On December 1, 2003, rent commenced on the ground lease. The balance of the prepayment credit, net of rent expense, as of September 30, 2019 and 2018 is \$2,307,965 and \$2,655,093, respectively. On October 29, 2010, the Corporation executed an amendment to the ground lease which resulted in significant changes to the structure of the rent credit. As a result of this restructure, the Corporation exchanged a portion of the credit for cash, dollar for dollar, in relation to a real estate transaction. The Corporation then used the cash proceeds from this exchange to pay down short-term and long-term debt obligations. The Corporation anticipates incurring ground lease rent costs as a cash expense beginning in 2027, when the remaining ground lease rent credit has been fully exhausted.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 11. LONG-TERM DEBT:**

A summary of mortgages payable at September 30, 2019 is follows:

Lender	Current	Long-Term	Total
Las Bougainvilleas: City of Oakland	\$ -	\$ 803,000	\$ 803,000
Beneficial State Bank Construction Loan	12,599	485,561	498,160
Down payment assistance	-	83,005	83,005
City of Oakland - Casa Velasco Associates	-	1,350,000	1,350,000
Berkadia Loan - Casa Velasco Associates	284,524	-	284,524
Posada LP - Construction Loan	13,069,727	96,323	13,166,050
FDC: Local Initiatives Support Corporation	82,543	6,877,467	6,960,010
FDC: Capital Impace Partners	89,234	6,889,690	6,978,924
FDC: Wells Fargo Bank	65,055	1,119,989	1,185,044
FDC: City of Oakland	-	853,611	853,611
Subtotal	<u>13,603,682</u>	<u>18,558,646</u>	<u>32,162,328</u>
Less unamortized debt issuance costs	<u>-</u>	<u>(384,856)</u>	<u>(384,856)</u>
Total	<u>\$ 13,603,682</u>	<u>\$ 18,173,790</u>	<u>\$ 31,777,472</u>

The Las Bougainvilleas mortgage payable is a nonrecourse note payable to the City of Oakland's Redevelopment Agency. The amount outstanding is the sum of principal of \$803,000 and accrued interest of \$994,175. Principal and any unpaid accrued interest are due at the maturity date, April 1, 2038; interest rate is 6% throughout the term of the note. The accrued interest will be paid to the City of Oakland, in lieu of the City of Oakland Redevelopment Agency after its dissolution, when the Project has surplus cash. However, the Agency (City) has indicated that any surplus cash should be used by Las Bougainvilleas to reinforce its reserves. The loan is secured by the Las Bougainvilleas Senior Housing rental project, which has a net book value of \$3,506,516 as of September 30, 2019.

During the fiscal year ended September 30, 2013, the Unity Council entered into an agreement with Beneficial State Bank (formerly known as One Pacific Coast Bank) for a \$550,000 construction loan. Upon completion of construction, the loan converted to a permanent loan. Monthly payments commenced and included interest at the rate of 4.75% for the first five years based on a 25 year amortization schedule. After five years, the rate will reset to equal the then Five-Year Constant Maturity Treasury Rate plus a spread of 4.25% with a base floor rate of 4.75%. At September 30, 2019, the outstanding balance was \$498,160. This loan is secured by the Unity Council's commercial building located at 1900 Fruitvale Avenue, Oakland, California, which has an appraised valuation of \$2,400,000.

The Posada de Colores mortgage payable is a nonrecourse note secured by a first deed of trust payable to HUD. The original note amount was \$4,080,000 and original maturity was October 2019. The balance of the note was paid off as part of the sale of Posada de Colores to Posada, LP.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 11. LONG-TERM DEBT (Continued):**

Two other loans from The City of Oakland loans are also secured by Posada de Colores. Principal and any unpaid accrued interest are due at the maturity date, April 1, 2063; interest rate is 3% throughout the terms of the notes. The accrued interest will be paid to the City of Oakland, in lieu of the City of Oakland Redevelopment Agency after its dissolution, when the Project has surplus cash. However, the Agency (City) has indicated that any surplus cash should be used by Posada de Colores to reinforce its reserves. The loans were paid off as part of the sale of Posada de Colores to Posada, LP.

During the year ended September 30, 2016, the Unity Council entered into a loan agreement with Local Initiative Support Corporation to be used for predevelopment costs related to the rehabilitation of the Posada de Colores apartments. The loan is a draw down loan to a maximum of \$902,000 and bears interest at the rate of 6%. A \$500,000 certificate of deposit with Beneficial Bank was pledged as collateral for this loan. The loan was paid off as part of the sale of Posada de Colores to Posada, LP.

FDC obtained a \$3,300,000 loan through the City of Oakland Enhanced Enterprise Community (EEC) HUD Section 108 funds to develop and construct the Fruitvale Village Project. The Section 108 loan is subject to the terms and conditions of the promissory note. Pursuant to the terms of the promissory note, interest payments commenced on August 1, 1999 at a rate ranging from 2.0% to 6.9% FDC refinanced the loan with the City of Oakland on April 10, 2017 and made one-time payment of \$300,000 and agreed to make annual payments of \$120,000 in monthly installments of \$10,000 that commenced on May 1, 2017 and to continue at the original terms of the loan until the loan balance is fully paid. The loan balance of \$1,177,947 was fully paid on May 7, 2019.

FDC obtained a note payable in the amount of \$970,000 from Wells Fargo Bank (WFB), secured by the Masonic Temple and corporate guarantee of Spanish Speaking Unity Council. The note was refinanced on October 13, 2017. Interest on principal amounts outstanding accrues at 4.25%, paid monthly. FDC will make 59 monthly payments of \$6,314 and a final payment October 10, 2022 estimated at \$620,486. Balance outstanding at September 30, 2019 is \$768,759.

FDC obtained a note payable in the amount of \$500,000 from Wells Fargo Bank, secured by the Masonic Temple and corporate guarantee of the Unity Council. The proceeds of this loan were used to finance improvements in the Project. Interest on principal amounts outstanding accrues at a fixed annual rate of 6.95%, paid monthly. The original term of the loan was 10 years, due in September 2018, with a 30-year amortization. The note was refinanced on October 16, 2018 to extend the maturity date to November 1, 2023. Balance outstanding at September 30, 2019 is \$416,284.

FDC obtained a residual receipts note payable in the amount of \$200,000 to the City of Oakland. The loan was secured to provide a landlord contribution to the Unity Council for the Community Cultural Center in the Masonic Temple. The note accrues interest at 3%, and principal payments are based on annual excess cash flows. Balance outstanding at September 30, 2019 is \$103,611.



**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 11. LONG-TERM DEBT (Continued):**

The Oakland Joint Powers Authority issued FDC tax-exempt 501(c)(3) revenue bonds series 2001A (\$19.8 million) dated December 1, 2001, which were issued and sold on December 20, 2001. The proceeds of the bond issuance resulted in a loan to the Corporation which was used to finance the construction of FDC's Project. The bond was paid in full on May 7, 2019 with a final payment amount of \$12,210,000.

FDC executed a loan agreement with Capital Impact Partner in the amount of \$7,000,000 to pay off the City of Oakland loans and the Oakland Joint Powers Authority issued tax-exempt 501(c)(3) revenue bonds. The remaining balance of the loan fund will fund the initial replacement reserve and the operating reserve needs. Interest on principal amounts outstanding accrues at a fixed annual rate of 6.95%, paid monthly. The term of the loan is 12 years, due in June 2031, with a 30-year amortization. Balance outstanding at September 30, 2019 is \$6,798,924.

FDC executed a loan agreement with Local Initiatives Support Corporation (LISC) in the amount of \$7,000,000 to pay off the City of Oakland loans and the Oakland Joint Powers Authority issued tax-exempt 501(c)(3) revenue bonds. Interest on principal amounts outstanding accrues at a fixed annual rate of 6.30%, paid monthly. The term of the loan is 12 years, due in June 2031. Balance outstanding at September 30, 2019 is \$6,960,010.

FDC obtained a \$750,000 loan from the City of Oakland Housing Department in August 2001. However, the loan was not funded to the Corporation until year ended September 30, 2003. The loan accrues interest at an annual rate of 3%. Principal and interest payments are paid with excess operating revenue over operating expenses from the Project and are due within 90 days after each calendar year. Final principal and interest payment, if not earlier paid in full from excess operating revenues over operating expenses, is due August 31, 2031. Balance outstanding at September 30, 2019 is \$750,000.

Financing for the rehabilitation of the Posada, LP Project has been generated through a construction loan in the amount of \$20,592,443 payable to Wells Fargo Bank, N.A. (Lender) under the California Municipal Finance Authority Multifamily Housing Revenue Bond Program. The construction loan bears interest at variable rate of LIBOR plus 1.75%, equal to 3.5% at September 30, 2019. Payments of interest only are due during the construction period. As of September 30, 2019, interest incurred totaled \$472,674. As September 30, 2019, construction drawn amount is \$13,069,727.

Note payable to the Unity Council, in the original amount of \$800,000 (Sponsor Loan) is non-interest bearing. Annual payments are due to the extent of available net cash flow, as defined in the Partnership Agreement. Unpaid principal is due in full in the year 2073. This intercompany note was eliminated upon consolidation.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 11. LONG-TERM DEBT (Continued):**

Note payable from Posada, LP to the Unity Council in the original amount of \$14,054,043 (Seller Loan) bears 2.99% interest compounded annually. Annual payments are due to the extent of available net cash flow, as defined in the Partnership Agreement. Principal and accrued interest is due in full in the year 2073. As of September 30, 2019, accrued interest payable is \$96,323. This intercompany note was eliminated upon consolidation.

Casa Velasco has a 3% simple interest 55 year loan from the city of Oakland in original amount of \$1,350,00. Principal and interest payments are payable to the extent of available cash flow at the end of the calendar year.

Casa Velasco has a 7.64% simple interest loan form Berkadia Commercial Mortgage (formerly Citibank) in original amount of \$373,000 with monthly payments of \$2,644 for a period of 180 months, which commenced on December 1, 2004, and requires a balloon payment in November 2019. As of September 30, 2019, outstanding balance is \$284,524.

Principal maturities of mortgages payable for the next five fiscal years ending September 30 and thereafter are as follows:

Year Ending September 30,	Las Bougainvilleas	Posada LP	Fruitvale Development	SSUC	Casa Velasco	Total
2020	\$ -	\$ 13,069,727	\$ 236,832	\$ 12,599	\$ 284,524	\$ 13,603,682
2021	-	-	252,141	13,476	-	265,617
2022	-	-	266,660	14,414	-	281,074
2023	-	-	861,200	15,418	-	876,618
2024	-	-	547,074	442,252	-	989,326
Thereafter	803,000	96,323	13,813,681	83,005	1,350,000	16,146,009
Totals	<u>\$ 803,000</u>	<u>\$ 13,166,050</u>	<u>\$ 15,977,588</u>	<u>\$ 581,164</u>	<u>\$ 1,634,524</u>	<u>\$ 32,162,326</u>

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 12. NET ASSETS WITH DONOR RESTRICTION:**

Net assets with donor restriction are available for the following purposes at September 30:

	<u>2019</u>	<u>2018</u>
Mission Support:		
Organizational Support – San Francisco Foundation	\$ 356,585	\$ 918,251
NWA Capital Funds - Various Projects	578,173	873,173
NWA Sustainable Development Fund	75,000	75,000
Resilient Fruitvale - Hellman Foundation	245	46,857
Real Estate Development and Management:		
SHOP Program - HOC	45,122	45,122
Legal Assistance IDA Match Program - HOC	10,000	10,000
NWA Predevelopment Funds	545,347	545,347
NWA Phase II Capital	390,000	390,000
Casa Velasco	150,000	150,000
NWA 1st Use Capital	101,543	215,000
Community & Family Asset Development:		
Latino Men and Boys	15,216	69,581
Workforce Development	57,433	307,050
VITA Program	-	5,074
Senior Services	-	10,927
Business Services - PBID	6,637	270,984
Other:		
Public Market	-	200,000
	<u>2,331,301</u>	<u>4,132,366</u>
Senior Housing:		
HUD-required cash deposits for facility replacements and contingencies	<u>780,939</u>	<u>1,701,576</u>
	<u>\$ 3,112,240</u>	<u>\$ 5,833,942</u>
Cash retained in segregated money market accounts	\$ 2,569,815	\$ 5,562,557
Cash in operating account	542,425	271,385
Total	<u>\$ 3,112,240</u>	<u>\$ 5,833,942</u>

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 13. BOARD DESIGNATED NET ASSETS:**

In Unity Council’s Board of Directors has elected to establish a board-designated funds, which shall be used as discussed below:

Environmental Remediation

The Unity Council has cash held by a bank to ensure environmental remediation is complete on an affordable housing property currently being rehabbed. The funds are expected to be released within the next 12 months and will fund the reserve account.

\$ 3,885,832

Operating reserve

The Unity Council’s governing board has designated a portion of its net assets without donor restriction for reserves with the intention of having three months of reserves on-hand by September 30, 2020. These amounts are identified as board designated. In the event the need arises to utilize the board designated funds for short term liquidity purposes, the reserves can be drawn upon.

1,884,770

Total board-designated net assets

\$ 5,770,602

The Unity Council has enacted a policy whereby any release of the funds must be carefully considered decisions which require the approval of the Board of Directors.

**Note 14. MANAGEMENT CONTRACTS:**

The Unity Council provides general management, property management, accounting and construction management services to Fruitvale Development Corporation (FDC). During fiscal years ended September 30, 2019 and 2018, FDC was billed \$346,616 and \$603,381, respectively, for these services which were eliminated in consolidation.

Casitas of Hayward (COH) is the property manager of record for Posada de Colores. This project is operated under Section 202 of the National Housing Act, as amended. The terms of the contract include payment of a management fee of 4.45% of gross potential rent. The contract with COH is for an indefinite period but is reviewed annually. Management fees, eliminated in consolidation, for Posada de Colores were \$93,086 and \$75,871, respectively, for the fiscal years ended September 30, 2019 and 2018.

COH is also contracted to manage Las Bougainvilleas. This project is operated under Section 202 of the National Housing Act, as amended. The terms of the contract include payment of a management fee of 7.74% of residential income collected. The COH contract is for an indefinite period but is reviewed annually. Management fees, eliminated in consolidation, for Las Bougainvilleas were \$59,924 and \$49,035, respectively, for the fiscal years ended September 30, 2019 and 2018.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 14. MANAGEMENT CONTRACTS (Continued):**

Management fees, eliminated in consolidation, for Casa Velasco were \$53,882 for the fiscal year ended September 30, 2019.

**Note 15. RENT/LEASES:**

The Unity Council leases office space for many of its programs including four spaces with FDC and two leases with unrelated entities.

The Unity Council leases Foothill Square Center owned by MacArthur Boulevard Associates for the site of its Foothill Preschool Child Care Center. The Unity Council has lease commitments in Contra Costa County for its Head Start Programs, specifically, a ground lease, providing for a 3% annual increase and a modular business lease.

Below is a schedule by years of minimum future rental payments to unrelated entities:

<u>Year Ending September 30,</u>	
2020	\$ 577,884
2021	593,059
2022	608,388
2023	624,186
2024	640,458
Thereafter	<u>657,220</u>
Total	<u><u>\$ 3,701,195</u></u>

**Note 16. DONATED SERVICES AND USE OF ASSETS:**

The value of donated services and use of assets is not included in the accounting system nor shown in the accompanying consolidated financial statements since the services provided to the Unity Council do not create or enhance non-financial assets and would not typically need to be purchased by the Unity Council if they had not been provided by contribution. The value of donated services for the year ended September 30, 2019 are, however, monitored and reported to the appropriate funding agency, when applicable, and are summarized as follows:

	<u>Senior Center</u>	<u>Early/Head Start</u>	<u>Total</u>
Donated Services	<u>\$ 2,593</u>	<u>\$ 4,770,347</u>	<u>\$ 4,772,940</u>

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 17. RETIREMENT PLAN:**

The Unity Council adopted a retirement plan option effective January 1, 1995. The retirement plan option is a 403(b)(7) employee voluntary contribution. The 403(b)(7) employee voluntary contribution plan is available to all employees who wish to designate pre-tax compensation to the plan through the Nationwide Mutual Insurance Company. The Plan offers an employer matching program for employee contributions, dollar for dollar up to 5% of the employee's salary. For the years ended September 30, 2019 and 2018, employee contributions of \$391,966 and \$373,674, respectively, have been made to this plan, and \$270,706 and \$249,320, respectively, employer matching contributions have been made.

**Note 18. PRIOR PERIOD RESTATEMENT AND CASA VELASCO CONSOLIDATION:**

For the year ended September 30, 2018, Casa Velasco was not presented on a consolidated basis with the Unity Council financial statements. Due to the transfer of ownership referenced in Note 1, Casa Velasco was consolidated with the Unity Council financial statements as of September 30, 2019.

The below table summarizes the adjustments to beginning net assets as of October 1, 2018:

SSUC net assets without Casa de Velasco as of September 30, 2018	\$ 31,747,003
Casa de Velasco net assets as of September 30, 2018	<u>709,424</u>
Total beginning net assets as of October 1, 2018	<u><u>\$ 32,456,427</u></u>

**Note 19. SUBSEQUENT EVENTS:**

Management has evaluated subsequent events through April 10, 2020, the date which the financial statements were available for issue. With the exception of the items discussed below, management has concluded that there were no other subsequent events required to be disclosed or recognized in the financial statements.

**Public Market**

The Unity Council has a master lease for the space located at 3340 E. 12<sup>th</sup> Street and sub-leases to the micro-enterprises. Technical assistance is no longer provided to the businesses. The property management department manages the property. The Unity Council used grant funding to make tenant improvement to the Public Market. The master lease and subleases all add an unnecessary number of transactions between the Unity Council and Fruitvale Development Corporation for a program that no longer exists. Therefore, with board approval, the Unity Council will donate the tenant improvements to Fruitvale Development Corporation on October 1, 2019 at the net book value of \$160,000 with a remaining life of four years.

**Casa Velasco**

At November 1, 2019, Casa Velasco approved by City of Oakland, paid the final mortgage payment in the form of a \$285,721 balloon payment to Berkadia Commercial Mortgage using the project's operating surplus, operating reserve amount of \$94,402, and a promissory note of \$75,000 from the Unity Council. This is a non-interest bearing loan, and Casa Velasco should make an annual payment amount of \$7,500, with the first payment due on the first anniversary of the note.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS –  
SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018**

**Note 19. SUBSEQUENT EVENTS (Continued):**

**Housing Development**

At March 19, 2020, The Unity Council purchased a multi-parcel site on International Boulevard in the Fruitvale neighborhood. The Unity Council owns this building through 2700 International, Limited Partners. The Unity Council plans to develop the site as low income affordable housing.

At November 1, 2019, The Unity Council entered to purchase contract to acquire two occupied multi-family apartment buildings on 36<sup>th</sup> Avenue in Oakland. The smaller building, 1921 36<sup>th</sup> Avenue, is located at the corner of 36<sup>th</sup> Avenue and Foothill and contains 8 one-bedroom apartments. The second building is located mid-block and contains 14 one-bedroom and three two-bedroom units, including one two-bedroom manager's unit. Based on rent roll analysis and confirmation from the seller, we believe that the properties currently provide affordable rental housing to low-income families. The sale is pending as of April 10, 2020 and estimated escrow closing is April 23, 2020. Total project costs, as outlined below, are approximately \$5.3 million and include about \$800,000 in seismic systems, and cosmetic improvements to the properties. Funds will be provided by a combination of loan funds from LISC and the City of Oakland. Due to the timing of the City Notice of Funding Availability process, these funds are unlikely to be available prior to escrow closing. Thus, staff is working on several bridge options including Kaiser Permanente equity (Administered Enterprise) and/or a line of credit.

Fruitvale Transit Village II-A LP, project named Casa Arabella completed construction on November 2019, and fully occupied on December 2019. Project is property managed by East Bay Asian Local Development Corp and resident services by the Unity Council.

The COVID-19 outbreak has caused a temporary shift in the method of our service delivery to some of our clients with some of our staff required to work remotely rather than in an on-site setting. While the change is currently expected to be temporary, there is uncertainty about the duration of the regulatory requirements for these changes from the outbreak. The federal government has just passed a large stimulus package. The Unity Council is hopeful to receive some benefit from it. As a result, the Unity Council at this time is anticipating having some minimal, negative impact from effects of COVID-19 on our operating results from this event. However, the related financial impact and duration cannot be reasonably determined at this time. Additionally, the Unity Council has been working with its funders and local government agencies to create an Emergency Relief Fund to provide support to families in need due to COVID-19.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**SUPPLEMENTAL INFORMATION**

**SEPTEMBER 30, 2019**



**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SEPTEMBER 30, 2019**  
**(With Comparative Totals for the year ended September 30, 2018)**

	Spanish Speaking Unity Council	Casitas of Hayward	Peralta Service Corporation	Unity Council Properties	Posada de Colores LP	09/30/19 Unconsolidated Balances	Intercompany Eliminations	09/30/19 Consolidated Balances	09/30/18 Consolidated Balances
<b>ASSETS</b>									
Current assets									
Cash and cash equivalents	\$ 8,105,851	\$ 6	\$ 61,967	\$ 524,874	\$ 2,831,390	\$ 11,524,088	\$ -	\$ 11,524,088	\$ 5,750,288
Accounts and grants receivable	3,444,307	19,076	190,636	167,214	-	3,821,233	(57,666)	3,763,567	2,633,687
Deposits	6,500	-	-	-	-	6,500	-	6,500	59,976
Deferred charge	-	-	-	2,307,965	-	2,307,965	-	2,307,965	2,655,093
Prepaid expenses and other current assets	127,326	-	-	66,898	-	194,224	-	194,224	163,377
Due from Spanish Speaking Unity Council	909,119	-	4,781	326,018	5,632	1,245,550	(1,245,550)	-	-
Total current assets	12,593,103	19,082	257,384	3,392,969	2,837,022	19,099,560	(1,303,216)	17,796,344	11,262,421
Noncurrent assets									
Due from Intercompany Affiliate	234,000	-	-	-	-	234,000	(234,000)	-	-
Investment in Casa de las Flores/Casa Velasco	948,735	-	-	-	-	948,735	(948,735)	-	148,667
Investment in Fruitvale Transit Village II-A, L.P.	1,332,786	-	-	-	-	1,332,786	-	1,332,786	1,332,183
Note receivable - Posada LP	14,054,042	-	-	-	-	14,054,042	(14,054,042)	-	-
Advance to PSC - SNAP Program & Other	592,323	-	-	-	-	592,323	(592,323)	-	-
Restricted cash deposits and reserve for replacements	-	-	-	2,066,858	-	2,066,858	-	2,066,858	2,281,352
Total noncurrent assets	17,161,886	-	-	2,066,858	-	19,228,744	(15,829,100)	3,399,644	3,762,202
Total construction in progress	346,068	-	-	146,701	10,785,987	11,278,756	(625,000)	10,653,756	-
Total property, plant and equipment (net)	2,599,373	-	29,784	34,437,166	1,992,432	39,058,755	(1,344,504)	37,714,251	40,218,426
<b>TOTAL ASSETS</b>	<b>\$ 32,700,430</b>	<b>\$ 19,082</b>	<b>\$ 287,168</b>	<b>\$ 40,043,694</b>	<b>\$ 15,615,441</b>	<b>\$ 88,665,815</b>	<b>\$ (19,101,820)</b>	<b>\$ 69,563,995</b>	<b>\$ 55,243,049</b>
<b>LIABILITIES AND NET ASSETS</b>									
Current liabilities									
Accounts payable	\$ 740,898	\$ -	\$ 22,066	\$ 383,757	\$ 2,645,910	\$ 3,792,631	\$ (164,260)	\$ 3,628,371	\$ 1,009,079
Accounts payable - intercompany	-	26,773	825,433	46,272	10,641	909,119	(909,119)	-	-
Accrued payroll and benefits expense	881,832	-	90,384	7,624	26,030	1,005,870	-	1,005,870	1,203,335
Deferred revenue	946,270	-	-	23,664	-	969,934	-	969,934	882,228
Deposits payable	46,707	-	-	176,249	25,981	248,937	-	248,937	216,205
Mortgages payable - current portion	12,599	-	-	521,356	13,069,727	13,603,682	-	13,603,682	971,894
Total current liabilities	2,628,306	26,773	937,883	1,158,922	15,778,289	20,530,173	(1,073,379)	19,456,794	4,282,741
Long-term liabilities									
Accrued interest payable	-	-	-	1,910,242	-	1,910,242	-	1,910,242	1,203,785
Mortgages payable	894,584	-	-	17,742,900	96,324	18,733,808	(560,018)	18,173,790	17,926,515
DPA & Home Rescue Loan Funds	-	-	-	-	-	-	-	-	83,005
Due to SSUC - SNAP Program	-	-	592,323	-	-	592,323	(592,323)	-	-
Due to Intercompany Affiliate	-	-	-	-	14,854,043	14,854,043	(14,854,043)	-	-
Total long-term liabilities	894,584	-	592,323	19,653,142	14,950,367	36,090,416	(16,006,384)	20,084,032	19,213,305
Total liabilities	3,522,890	26,773	1,530,206	20,812,064	30,728,656	56,620,589	(17,079,763)	39,540,826	23,496,046
Net assets									
Without grantor restrictions:									
Controlling interests	26,846,239	(7,691)	(1,243,038)	18,450,691	(15,113,215)	28,932,986	(2,022,057)	26,910,929	25,913,061
Non-controlling interests	-	-	-	-	-	-	-	-	-
Total without grantor restrictions	2,331,301	-	-	780,939	-	3,112,240	-	3,112,240	5,833,942
With grantor restrictions	29,177,540	(7,691)	(1,243,038)	19,231,630	(15,113,215)	32,045,226	(2,022,057)	30,023,169	31,747,003
Total net assets	29,177,540	(7,691)	(1,243,038)	19,231,630	(15,113,215)	32,045,226	(2,022,057)	30,023,169	31,747,003
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 32,700,430</b>	<b>\$ 19,082</b>	<b>\$ 287,168</b>	<b>\$ 40,043,694</b>	<b>\$ 15,615,441</b>	<b>\$ 88,665,815</b>	<b>\$ (19,101,820)</b>	<b>\$ 69,563,995</b>	<b>\$ 55,243,049</b>

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**  
**UNITY COUNCIL PROPERTIES STATEMENT OF FINANCIAL POSITION – SEPTEMBER 30, 2019**

	Las Bougainvilleas	Fruitvale Development Corporation	Casa Velasco	Posada de Colores 501(c)(3)	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 18,397	\$ 181,103	\$ 148,249	\$ 177,125	\$ 524,874
Accounts and grants receivable	-	101,324	2,818	63,072	167,214
Deposits	-	-	-	-	-
Deferred charge	-	2,307,965	-	-	2,307,965
Prepaid expenses and other current assets	-	66,898	-	-	66,898
Due from Spanish Speaking Unity Council	-	-	-	326,018	326,018
Total current assets	<u>18,397</u>	<u>2,657,290</u>	<u>151,067</u>	<u>566,215</u>	<u>3,392,969</u>
Noncurrent assets					
Restricted cash deposits and reserve for replacements	800,390	981,866	250,181	34,421	2,066,858
Total noncurrent assets	<u>800,390</u>	<u>981,866</u>	<u>250,181</u>	<u>34,421</u>	<u>2,066,858</u>
Total construction in progress	-	146,701	-	-	146,701
Total property, plant and equipment (net)	3,506,516	28,513,990	2,416,660	-	34,437,166
<b>TOTAL ASSETS</b>	<b><u>\$ 4,325,303</u></b>	<b><u>\$ 32,299,847</u></b>	<b><u>\$ 2,817,908</u></b>	<b><u>\$ 600,636</u></b>	<b><u>\$ 40,043,694</u></b>
<b>LIABILITIES AND NET ASSETS</b>					
Current liabilities					
Accounts payable	\$ 14,893	\$ 362,545	\$ 6,319	\$ -	\$ 383,757
Accounts payable - intercompany	46,442	-	(170)	-	46,272
Accrued payroll and benefits expense	7,624	-	-	-	7,624
Deferred revenue	1,798	21,866	-	-	23,664
Deposits payable	18,425	152,082	5,370	372	176,249
Mortgages payable - current portion	-	236,832	284,524	-	521,356
Total current liabilities	<u>89,182</u>	<u>773,325</u>	<u>296,043</u>	<u>372</u>	<u>1,158,922</u>
Long-term liabilities					
Accrued interest payable	1,042,355	389,413	478,474	-	1,910,242
Mortgages payable	803,000	15,589,900	1,350,000	-	17,742,900
Due to Intercompany Affiliate	-	-	-	-	-
Total long-term liabilities	<u>1,845,355</u>	<u>15,979,313</u>	<u>1,828,474</u>	<u>-</u>	<u>19,653,142</u>
Total liabilities	<u>1,934,537</u>	<u>16,752,638</u>	<u>2,124,517</u>	<u>372</u>	<u>20,812,064</u>
Net assets					
Without grantor restrictions:					
Controlling interests	1,609,827	15,547,209	693,391	600,264	18,450,691
Non-controlling interests	-	-	-	-	-
Total without grantor restrictions	-	-	-	-	-
With grantor retrictions	780,939	-	-	-	780,939
Total net assets	<u>2,390,766</u>	<u>15,547,209</u>	<u>693,391</u>	<u>600,264</u>	<u>19,231,630</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 4,325,303</u></b>	<b><u>\$ 32,299,847</u></b>	<b><u>\$ 2,817,908</u></b>	<b><u>\$ 600,636</u></b>	<b><u>\$ 40,043,694</u></b>

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FUNCTIONAL SUPPORT, REVENUES AND EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(With Comparative Totals for the year ended September 30, 2018)**

	Spanish Speaking Unity Council	Casitas of Hayward Prop Management	Peralta Service Corporation	Unity Council Properties	Posada de Colores LP	09/30/19 Unconsolidated Totals	Intercompany Eliminations	09/30/19 Consolidated Totals	09/30/18 Consolidated Totals
<b>Support and Revenues:</b>									
Private support and revenues:									
Donations:									
Corporations and businesses	\$ 443,924	\$ -	\$ -	\$ -	\$ -	\$ 443,924	\$ -	\$ 443,924	\$ 413,384
Individuals and others	167,305	-	-	-	-	167,305	-	167,305	73,028
Total donations	611,229	-	-	-	-	611,229	-	611,229	486,412
Agencies/Intermediaries	397,575	-	-	-	-	397,575	-	397,575	137,276
Foundations	1,472,683	-	89,664	-	-	1,562,347	-	1,562,347	2,032,549
Development fee	625,000	-	-	-	-	625,000	(625,000)	-	-
Programs/Contracts	1,071,799	235,866	1,493,192	-	-	2,800,857	(2,099,773)	701,084	1,592,483
Rents	503,546	-	-	4,807,545	326,456	5,637,547	(651,598)	4,985,949	6,414,376
Rental income subsidy	-	-	-	805,413	1,495,317	2,300,730	-	2,300,730	-
Investment Income	-	-	-	4,389	4,909	9,298	-	9,298	25,761
Other revenue	19,375,722	-	33,181	(1,959,093)	38,085	17,487,895	(17,207,261)	280,634	31,359
Total private support and revenues	24,057,554	235,866	1,616,037	3,658,254	1,864,767	31,432,478	(20,583,632)	10,848,846	10,720,216
Governmental support and revenues	14,244,734	-	-	-	-	14,244,734	-	14,244,734	12,896,809
<b>Total Support and Revenues</b>	<b>38,302,288</b>	<b>235,866</b>	<b>1,616,037</b>	<b>3,658,254</b>	<b>1,864,767</b>	<b>45,677,212</b>	<b>(20,583,632)</b>	<b>25,093,580</b>	<b>23,617,025</b>
<b>Expenses:</b>									
Personnel:									
Salaries and Wages	9,304,651	-	1,007,660	250,215	353,051	10,915,577	-	10,915,577	9,966,498
Fringe Benefits and taxes	2,428,288	-	201,447	202,565	148,373	2,980,673	-	2,980,673	2,787,912
Total Personnel	11,732,939	-	1,209,107	452,780	501,424	13,896,250	-	13,896,250	12,754,410
Non-Personnel									
Contract Services	1,794,037	222,725	210,699	1,030,809	117,416	3,375,686	(2,099,773)	1,275,913	1,401,453
Operating Costs	1,057,164	2,966	107,081	971,579	170,605	2,309,395	-	2,309,395	3,492,891
Occupancy Costs	2,229,082	-	-	571,244	112,728	2,913,054	(616,045)	2,297,009	1,565,223
Interest and Financing	41,491	-	-	797,310	-	838,801	-	838,801	545,745
Program/Project Costs	2,646,029	-	97,120	1,512,639	230,052	4,485,840	-	4,485,840	1,896,610
Depreciation	478,696	-	3,008	1,941,925	-	2,423,629	-	2,423,629	2,720,548
Total Non-Personnel	8,246,499	225,691	417,908	6,825,507	630,801	16,346,403	(2,715,818)	13,630,585	11,622,468
<b>Total Expenses</b>	<b>19,979,438</b>	<b>225,691</b>	<b>1,627,015</b>	<b>7,278,287</b>	<b>1,132,225</b>	<b>30,242,653</b>	<b>(2,715,818)</b>	<b>27,526,835</b>	<b>24,376,878</b>
Change in Net Assets	18,322,850	10,175	(10,978)	(3,620,033)	732,542	15,434,556	(17,867,814)	(2,433,258)	(759,851)
<b>Net Assets (Deficit), October 1, 2018</b>	<b>10,854,691</b>	<b>(17,866)</b>	<b>(1,232,059)</b>	<b>22,851,661</b>	<b>-</b>	<b>32,456,427</b>	<b>-</b>	<b>32,456,427</b>	<b>32,506,854</b>
Posada LP Capital Account	-	-	-	-	(15,845,757)	(15,845,757)	-	(15,845,757)	-
<b>Net Assets (Deficit), End of Period</b>	<b>\$ 29,177,541</b>	<b>\$ (7,691)</b>	<b>\$ (1,243,037)</b>	<b>\$ 19,231,628</b>	<b>\$ (15,113,215)</b>	<b>\$ 47,890,983</b>	<b>\$ (20,583,632)</b>	<b>\$ 30,023,169</b>	<b>\$ 31,747,003</b>

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**UNITY COUNCIL PROPERTIES SCHEDULE OF FUNCTIONAL SUPPORT, REVENUES AND EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Las Bougainvilleas	Fruitvale Development Corporation	Casa Velasco	Posada de Colores 501(c)(3)	Total
<b>Support and Revenues:</b>					
Private support and revenues:					
Donations:					
Corporations and businesses	\$ -	\$ -	\$ -	\$ -	\$ -
Individuals and others	-	-	-	-	-
Total donations	-	-	-	-	-
Rents	250,554	4,456,382	70,138	30,471	4,807,545
Rental income subsidy	423,479	-	295,629	86,305	805,413
Investment Income	2,807	-	442	1,140	4,389
Other revenue	4,059	1,009	80	(1,964,241)	(1,959,093)
Total private support and revenues	680,899	4,457,391	366,289	(1,846,325)	3,658,254
Governmental support and revenues	-	-	-	-	-
<b>Total Support and Revenues</b>	<b>680,899</b>	<b>4,457,391</b>	<b>366,289</b>	<b>(1,846,325)</b>	<b>3,658,254</b>
<b>Expenses:</b>					
Personnel:					
Salaries and Wages	96,208	112,627	24,725	16,655	250,215
Fringe Benefits and taxes	81,972	92,150	20,565	7,878	202,565
Total Personnel	178,180	204,777	45,290	24,533	452,780
Non-Personnel					
Contract Services	51,502	933,059	38,999	7,250	1,030,810
Operating Costs	199,579	699,270	23,313	49,417	971,579
Occupancy Costs	61,778	460,807	43,641	5,018	571,244
Interest and Financing	48,808	726,293	22,209	-	797,310
Program/Project Costs	224,590	1,079,179	208,870	-	1,512,639
Depreciation	180,839	1,761,086	-	-	1,941,925
Total Non-Personnel	767,096	5,659,694	337,032	61,685	6,825,507
<b>Total Expenses</b>	<b>945,276</b>	<b>5,864,471</b>	<b>382,322</b>	<b>86,218</b>	<b>7,278,287</b>
Change in Net Assets	(264,377)	(1,407,080)	(16,033)	(1,932,543)	(3,620,033)
<b>Net Assets (Deficit), October 1, 2018</b>	<b>2,655,142</b>	<b>16,954,289</b>	<b>709,424</b>	<b>2,532,806</b>	<b>22,851,661</b>
Posada LP Capital Account	-	-	-	-	-
<b>Net Assets (Deficit), End of Period</b>	<b>\$ 2,390,765</b>	<b>\$ 15,547,209</b>	<b>\$ 693,391</b>	<b>\$ 600,263</b>	<b>\$ 19,231,628</b>

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**SCHEDULE OF FEDERAL AND STATE AWARDS  
PASSED THROUGH THE COUNTY OF ALAMEDA  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<u>Alameda County Social Services Agency</u>	<u>SSUC Fund Number</u>	<u>Grantor Contract/Exhibit Number</u>	<u>Federal CFDA Number</u>	<u>Program or Award Dates</u>	<u>Federal Share</u>	<u>State Share</u>	<u>County Share</u>	<u>Total Award</u>	<u>Total Award Expenditures FYE 9/30/18</u>
<b>CalWorks:</b>									
CalWORKs Job Training and Placement Services	4367	900210-16220	93.558	05/01/19 - 04/30/20	\$ 55,650	\$ -	\$ 25,889	\$ 81,539	\$ 81,539
CalWORKs Job Training and Placement Services	4367	900210-16220	93.558	05/01/18 - 04/30/19	162,201	-	75,469	237,670	237,670
<b>Total CalWorks</b>					<u>\$ 217,851</u>	<u>\$ -</u>	<u>\$ 101,358</u>	<u>\$ 319,209</u>	<u>319,209</u>
<b>Senior Support Services &amp; Senior Centers:</b>									
Supportive Services and Senior Centers	7080	900210-17559	93.044	07/01/19 - 06/30/20	\$ 15,326	\$ -	\$ 10,763	\$ 26,089	4,992
Supportive Services and Senior Centers	7080	900210-15925	93.044	07/01/18 - 06/30/19	21,072	-	8,200	29,272	14,774
<b>Total Senior Support &amp; Services Centers</b>					<u>\$ 36,398</u>	<u>\$ -</u>	<u>\$ 18,963</u>	<u>\$ 55,361</u>	<u>19,766</u>
<b>Total Program or Award Amount</b>								<u>\$ 374,570</u>	
<b>Total Expenditures of Federal Awards</b>									<u>\$ 338,975</u>

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<b>SSUC Fund Number</b>	<b>Grantor/ Pass-through Number</b>	<b>Federal CFDA Number</b>	<b>Program or Award Period</b>	<b>Program or Award Amount</b>	<b>FY 18/19 Expenditures</b>
<b><u>U.S. Department of Health and Human Services</u></b>						
Direct:						
Administration for Children & Families Office of Community Services						
Early Head Start Expansion	2285	09CH9173-04	93.600	01/01/19 - 12/31/19	\$ 1,192,268	\$ 919,644
Early Head Start Expansion	2285	09CH9173-03	93.600	01/01/18 - 12/31/18	1,171,998	325,339
Head Start - Contra Costa County	2252	09CH9116-06	93.600	01/01/19 - 12/31/19	1,906,445	1,359,356
Head Start - Contra Costa County	2252	09CH9116-05	93.600	01/01/18 - 12/31/18	1,873,675	574,244
Early Head Start - Contra Costa County	2262	09CH9116-06	93.600	01/01/19 - 12/31/19	1,044,102	747,760
Early Head Start - Contra Costa County	2262	09CH9116-05	93.600	01/01/18 - 12/31/18	1,028,701	280,721
					<u>8,217,189</u>	<u>4,207,064</u>
Passed through the City of Oakland:						
Head Start	2200	09CH10399	93.600	07/01/18 - 06/30/19	2,202,945	1,695,789
Head Start	2200	09CH10399-001	93.600	07/01/19 - 06/30/20	2,202,945	522,760
Early Head Start	2270	09CH010399	93.600	07/01/18 - 06/30/19	2,446,827	1,894,460
Early Head Start	2270	09CH10399-201	93.600	07/01/19 - 06/30/20	2,446,827	528,060
					<u>9,299,544</u>	<u>4,641,069</u>
<b>Total CFDA 93.600</b>					<u>17,516,733</u>	<u>8,848,133</u>
AC/OCAP Department of Health and Human Services	4370	N/A	93.569	01/01/19 - 12/31/19	65,000	59,754
Passed through the County of Alameda:						
Special Program for the Aging Title III Part B Grants -	7079	900210-15925	93.044	07/01/18 - 06/30/19	21,072	14,774
Special Program for the Aging Title III Part B Grants -	7080	900210-15925	93.044	07/01/19 - 06/30/20	15,326	4,992
<b>Total CFDA 93.044</b>					<u>36,398</u>	<u>19,766</u>
Alameda County Social Service Agency	4367	N/A	93.558	05/01/18 - 04/30/19	512,770	237,670
Alameda County Social Service Agency	4367	N/A	93.558	05/01/19 - 04/30/20	549,240	81,539
<b>Total CFDA 93.558</b>					<u>1,062,010</u>	<u>319,209</u>
<b>Total U.S. Department of Human Services</b>						<u><u>\$ 9,246,862</u></u>

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>SSUC Fund Number</u>	<u>Grantor/ Pass-through Number</u>	<u>Federal CFDA Number</u>	<u>Program or Award Period</u>	<u>Program or Award Amount</u>	<u>FY 18/19 Expenditures</u>
<b><u>U.S. Department of Housing &amp; Urban Development</u></b>						
Direct:						
Economic Development Initiative (EDI)						
Lower Income Housing Program						
Section B Moderate Rehabilitation - Rent subsidy						
	PDC	121-EH016	14.856	10/01/18 - 09/30/19	\$ 120,834	\$ 120,834
					<u>120,834</u>	<u>120,834</u>
City of Oakland - Community Development Block Grant						
	9613		14.218	01/01/19 - 9/30/19	135,000	108,575
					<u>135,000</u>	<u>108,575</u>
Section 4 Grant - Passed through Enterprise Community Partners, Inc.						
Enterprise Community Partners, Inc. Affordable Housing Assistance						
	4371	N/A	14.252	10/01/17 - 02/28/19	40,000	20,613
Enterprise Community Partners, Inc. Affordable Housing Assistance						
	4371	N/A	14.252	10/01/18 - 09/30/19	30,000	23,422
					<u>70,000</u>	<u>44,035</u>
Section 4 Grant - Passed through Local Initiatives Support Corporation (LISC)						
Local initiatives Support Corporation (LISC)						
	6375	40859-0038	14.252	10/01/18 - 03/31/19	25,000	14,933
					<u>25,000</u>	<u>14,933</u>
<b>Total U.S. Department of Housing &amp; Urban Renewal</b>						<b><u>\$ 288,377</u></b>

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	SSUC Fund Number	Grantor/ Pass-through Number	Federal CFDA Number	Program or Award Period	Program or Award Amount	FY 18/19 Expenditures
<b><u>U.S. Department of Agriculture</u></b>						
Passed through Alameda County:						
Alameda County CalFresh Employment and Training	4364	N/A	10.561	10/01/18 - 09/30/19	\$ 2,938	\$ 2,938
					2,938	2,938
Passed through the California State Department of Education:						
Child and Adult Care Food Program	2220	01-1922-3A	10.558	10/01/18 - 09/30/19	342,565	342,565
<b>Total U.S. Department of Agriculture</b>					<b>345,503</b>	<b>345,503</b>
<b><u>U.S. Department of Labor</u></b>						
Passed through the State of California EDD						
Workforce Accelerator Funds 7.0	4368	N/A	17.258	05/01/19 - 09/30/20	135,000	30,957
					135,000	30,957
Passed through the City of Oakland:						
Workforce Investment Act (WIOA) - Sector Access	4314	N/A	17.258	07/01/18 - 06/30/19	314,268	219,440
Workforce Investment Act (WIOA) - Sector Access	4314	N/A	17.258	07/01/19 - 06/30/20	393,342	120,968
Workforce Investment Act (WIOA) - Youth	4329	N/A	17.258	07/01/18 - 06/30/19	220,264	196,030
Workforce Investment Act (WIOA) - Youth	4239	N/A	17.258	07/01/19 - 06/30/20	262,541	48,705
<b>Total CFDA 17.258</b>					<b>1,325,415</b>	<b>616,100</b>
<b>Total U.S. Department of Labor</b>					<b>1,325,415</b>	<b>616,100</b>
<b><u>U.S. Department of the Treasury</u></b>						
NeighborWorks America (NWA)	1005	N/A	21.000	10/01/18 - 09/30/19	306,300	-
NeighborWorks America (NWA)	1000	N/A	21.000	10/01/17 - 09/30/18	111,500	111,500
NeighborWorks America (NWA)	4317	N/A	21.000	10/01/17 - 09/30/18	28,620	5,834
NeighborWorks America (NWA)	9601	N/A	21.000	10/01/17 - 09/30/18	215,000	113,457
					661,420	230,791
<b><u>Internal Revenue Service</u></b>						
Passed through United Way of the Bay Area:						
Volunteer Income Tax Assistance (VITA) program	5258	N/A	21.009	10/01/18 - 09/30/19	11,000	11,000
<b>Total U.S. Department of the Treasury</b>						<b>241,791</b>
<b>Total Program or Award Amount</b>					<b>\$ 21,374,313</b>	
<b>Total Expenditures of Federal Awards</b>						<b>\$ 10,738,634</b>

See notes to consolidated financial statements.



**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2019**

**Note 1. Basis of Presentation:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Spanish Speaking Unity Council of Alameda County, Inc. (Unity Council) 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 Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Consortium for Children, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Consortium for Children.

**Note 2. Summary of Significant Accounting Policies:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Guidance, Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3. Indirect Cost Rate:**

The Unity Council has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**SPANISH SPEAKING UNITY COUNCIL OF  
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED SEPTEMBER 30, 2019**

**SUMMARY OF AUDITORS' RESULTS:**

- 1) The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Spanish Speaking Unity Council of Alameda County, Inc. were prepared in accordance with GAAP.
- 2) No significant deficiencies disclosed during the audit of the consolidated financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses are reported.
- 3) No instances of noncompliance material to the consolidated financial statements of Spanish Speaking Unity Council of Alameda County, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
- 4) No significant deficiencies in internal control over major federal award programs disclosed during the audit are reported on the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance. No material weaknesses are reported.
- 5) The auditors' report on compliance for the major federal awards programs for Spanish Speaking Unity Council of Alameda County, Inc., Inc. expresses an unmodified opinion on all major programs.
- 6) There are no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
- 7) The programs tested as major federal award programs were:

CFDA	Program
93.600	Head Start Program
17.258	Workforce Investment Opportunity Act

- 8) The threshold for distinguishing Type A and B programs was \$750,000.
- 9) Spanish Speaking Unity Council of Alameda County, Inc. does qualify as a low risk auditee.

**FINDINGS - FINANCIAL STATEMENT AUDIT:**

None reported

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT:**

None reported



---

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

The Board of Directors  
Spanish Speaking Unity Council of Alameda County, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Spanish Speaking Unity Council of Alameda County, Inc. (Unity Council), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 10, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Unity Council’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unity Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Unity Council’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 Unity Council’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*RINA Accountancy LLP*

Certified Public Accountants

San Francisco, CA

April 10, 2020



---

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

The Board of Directors  
Spanish Speaking Unity Council of Alameda County, Inc.

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

We have audited Spanish Speaking Unity Council of Alameda County, Inc.'s (Unity Council) compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of Unity Council's major federal programs for the year ended September 30, 2019. Unity Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Unity Council'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 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 Unity Council'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 Unity Council's compliance.

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

In our opinion, Unity Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

### **Report on Internal Control Over Compliance**

Management of Unity Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. 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 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 Unity Council's internal control over compliance.

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

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

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

A handwritten signature in black ink that reads "RINA Accountancy LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants

San Francisco, CA  
April 10, 2020