

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

June 30, 2024

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Alameda Point Collaborative, Inc. and Subsidiary
Oakland, California

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Alameda Point Collaborative, Inc. and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

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

Emphasis of Matter – Restatement of Net Assets

During the fiscal year ended June 30, 2024, the Organization reviewed revenue, accrued liabilities, construction in progress and loans, where it was determined numerous amounts were improperly recorded in the wrong period. Properly classifying of these amounts resulted in a restatement of beginning net assets.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

BPM LLP

San Jose, California
November 4, 2025

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As of June 30, 2024

ASSETS

Current assets:	
Cash and cash equivalents	\$ 2,217,800
Accounts receivable	2,764,693
Inventory	43,423
Prepaid expenses and other assets	78,061
Total current assets	<u>5,103,977</u>
Other assets	
Restricted cash	14,518,968
Property and equipment, net	14,821,832
Right-of-use assets, net	100,662
Total other assets	<u>29,441,462</u>
Total assets	<u>\$ 34,545,439</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 3,422,193
Accrued liabilities	977,230
Security deposits	96,735
Accrued interest and other liabilities	357,392
Refundable advance	565,854
Current maturities of long-term debt	26,467
Current maturities of operating lease liability	18,557
Total current liabilities	<u>5,464,428</u>
Long-term liabilities:	
Long-term debt, net of current maturities	5,818,613
Long-term operating lease liability, net of current maturities	74,584
Total long-term liabilities	<u>5,893,197</u>
Total liabilities	<u>11,357,625</u>
Commitment and contingencies (Note 6)	
Net assets:	
Without donor restrictions - deficit	(3,196,494)
With donor restrictions	26,384,308
Total net assets	<u>23,187,814</u>
Total liabilities and net assets	<u>\$ 34,545,439</u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY**CONSOLIDATED STATEMENT OF ACTIVITIES**

For the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Government contracts	\$ 1,552,933	\$ -	\$ 1,552,933
Property management revenue	53,760	-	53,760
Tenant assistance program	1,386,777	-	1,386,777
Rental revenue	752,785	-	752,785
Contract revenue	28,000	-	28,000
Retail sales, net of discounts	124,316	-	124,316
Contributions	240,038	6,482,813	6,722,851
In-kind lease contribution	4,151,607	-	4,151,607
Interest income	642,772	-	642,772
Other income	312,233	-	312,233
Total revenue and support	9,245,221	6,482,813	15,728,034
Expenses:			
Program services:			
Housing services	2,132,044	-	2,132,044
Support services	1,803,236	-	1,803,236
Children and youth services	445,668	-	445,668
Property management	822,660	-	822,660
McKay avenue	473,008	-	473,008
Subtotal program services	5,676,616	-	10,111,963
Supportive services:			
Management and general	38,377	-	38,377
Fund development	4,435,347	-	4,435,347
Subtotal supportive services	4,473,724	-	4,473,724
Total expenses	10,150,340	-	10,150,340
Change in net assets	(905,119)	6,482,813	5,577,694
Net assets, beginning of year	(2,724,937)	17,717,236	14,992,299
Restatement (Note 2)	433,562	2,184,259	2,617,821
Net assets, restated beginning balance	(2,291,375)	19,901,495	17,610,120
Net assets, end of year	\$ (3,196,494)	\$ 26,384,308	\$ 23,187,814

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2024

	Program Services						Supporting Services			Total
	Housing Services	Support Services	Children and Youth Services	Property Management	McKay Avenue	Total Program Services	Management and General	Fund Development	Total Supporting Services	
Salaries and related expenses:										
Salaries and wages	\$ 525,196	\$ 920,871	\$ 298,653	\$ 97,539	\$ 41,532	\$ 1,883,791	\$ 9,893	\$ 160,546	\$ 170,439	\$ 2,054,230
Employee benefits	89,543	94,090	29,196	13,579	-	226,408	-	20,971	20,971	247,379
Payroll taxes	43,669	75,819	26,646	7,737	3,369	157,240	3,050	12,943	15,993	173,233
Workers' compensation insurance	15,333	15,143	3,373	761	101	34,711	2,298	464	2,762	37,473
Total salaries and related expenses	673,741	1,105,923	357,868	119,616	45,002	2,302,150	15,241	194,924	210,165	2,512,315
Accounting and audit fees	34,147	13,463	736	1,105	241,998	291,449	-	506	506	291,955
Property and liability insurance	154,251	34,070	10,851	99,908	-	299,080	-	4,055	4,055	303,135
Supplies and office expenses	9,914	19,387	4,315	4,872	674	39,162	-	1,981	1,981	41,143
Professional fees	18,497	205,253	6,901	9,098	-	239,749	-	10,740	10,740	250,489
Telephone/fax	27,301	74,102	8,579	16,867	-	126,849	-	3,853	3,853	130,702
Interest expense	-	-	-	-	-	-	-	22,338	22,338	22,338
Office equipment maintenance and repair	-	-	66	-	-	66	-	-	-	66
Utilities	124,843	4,625	-	61,805	32,017	223,290	-	-	-	223,290
Refusal removal	165,323	3,991	-	74,880	-	244,194	-	-	-	244,194
Printing and copying	10,261	3,815	776	5,246	-	20,098	-	844	844	20,942
Maintenance contracts	39,670	9,897	-	24,030	-	73,597	-	-	-	73,597
Ground maintenance	212,051	13,061	-	78,803	-	303,915	-	52	52	303,967
Program expenses	322,270	224,381	37,499	203,651	153,317	941,118	-	195,573	195,573	1,136,691
Vehicle expenses	18,984	11,166	3,097	4,739	-	37,986	-	561	561	38,547
In-kind lease expense	40,154	76,803	14,980	19,750	-	151,687	-	3,999,920	3,999,920	4,151,607
Depreciation expense	280,637	3,299	-	98,290	-	382,226	23,136	-	23,136	405,362
Total expenses	\$ 2,132,044	\$ 1,803,236	\$ 445,668	\$ 822,660	\$ 473,008	\$ 5,676,616	\$ 38,377	\$ 4,435,347	\$ 4,473,724	\$ 10,150,340

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

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended June 30, 2024

Cash flows from operating activities:

Change in net assets	\$ 5,577,694
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	405,362
Forgiveness of long-term debt	(26,467)
Change in operating assets and liabilities:	
Accounts receivable	(460,777)
Inventory	(16,651)
Prepaid expenses and other assets	28,599
Accounts payable	3,162,489
Accrued liabilities	(2,287,663)
Security deposits	4,305
Accrued interest and other liabilities	93,339
Refundable advance	565,854
Net cash provided by operating activities	7,046,084

Cash flows from investing activities:

Purchases of equipment	(8,480,866)
Net cash used in investing activities	(8,480,866)
Net change in cash, restricted cash and cash equivalents	(1,434,782)

Cash, restricted cash and cash equivalents, beginning of year	18,171,550
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Cash restricted cash and cash equivalents, end of year	\$ 16,736,768
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Supplemental disclosure of noncash operating activities:

Property and equipment included in accrued liabilities	\$ 3,098,598
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The following table provides a reconciliation of cash, restricted cash and cash equivalents reported within the consolidated statement of financial position that sum to the total of such amounts shown above:

Cash and cash equivalents	\$ 2,217,800
Restricted cash	14,518,968
	\$ 16,736,768

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

1. Summary of Significant Accounting Policies

Alameda Point Collaborative, Inc. and Subsidiary (the "Organization" or "APC") is a resourceful supportive housing provider that offers permanent and transitional housing for adults and families. The Organization provides services and employment opportunities to help its residents break the cycle of homelessness and learn valuable skills.

Nature of Operations

The Organization operates on the former site of the U.S. Naval Air Base in Alameda through a sublease from the Alameda Reuse and Redevelopment Authority.

The Organization is working to end homelessness by providing housing and services to create communities where formerly homeless families and individuals can flourish. The following programs and supporting services are included in the accompanying consolidated financial statements:

Housing

The Organization leases and manages 172 Units of Navy housing that have been completely rehabilitated to provide comfortable living environments. The housing is a mix of apartment buildings and small cottages featuring individual yards and common play areas. Approximately 30% of the housing is provided on a transitional basis for up to two years and the remainder is for permanent residency.

Support Services

Each household works with a Support Specialist who serves as an advocate, guiding residents through their transition from homelessness. Support Specialists advocate for residents when needed and are a link to government agencies, doctors, schools, and other resources.

Children and Youth Services

Like the adults in their families, the Organization resident children and youth are rebuilding their lives after a period of homelessness and trauma. Some have recently reunited with their families after a period of foster care separation; all have been impacted by poverty, domestic violence, disabilities or mental illness in their families.

The Organization's Children and Youth Services provide focused activities that support physical and emotional safety, encourage positive life skills, promote creativity and learning, and nurture self-esteem of resident children and youth. While adults receive support services, their children participate in parallel activities in a nearby youth room.

Property Management Services

The Organization manages commercial and residential property. It provides management services to certain nonprofit organizations as well as services to families on site for 172 units of housing.

McKay Avenue

The McKay Avenue Project encompasses the planning, development, and future operation of a new facility that will provide both residential units and integrated support services. These services include supportive housing facilities for the homeless and a medical respite center.

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

1. Summary of Significant Accounting Policies, continued

Nature of Operations, continued

Fund Development

These expenses relate to revenue-generating activities designed to support housing and supportive services for formerly homeless individuals and families. These activities include securing government contracts, foundation grants, rental income, retail operations, and individual contributions. The funds raised are used to sustain programmatic and operational needs such as housing services, youth and family programs, property management, and capital initiatives

Management and General

These expenses are related to general managerial and administrative functions for the Organization, including parts, or all of the staff time and expenses associated with general management, financial operations and reporting, administrative activities and organizational planning.

Basis of Accounting

The accompanying consolidated financial statements are prepared on a modified accrual basis for accounting. The Organization recognizes rental revenue when cash is received from tenants due to the uncertain timing of those receipts and the Organization's inability to accurately estimate the amount collectable. All other activity is accounted for under generally accepted accounting principles of the United States of America ("U.S. GAAP"). The modified accrual basis of accounting is a basis of accounting other than U.S. GAAP.

Basis of Consolidation

The Organization is affiliated with a limited liability company ("LLC") which has been formed as supportive to the Organization to further their organizational objectives. The LLC is included in the consolidated financial statements in accordance with U.S. GAAP. The Organization is the sole member of McKay Avenue, LLC. All significant transactions between entities included in these consolidated financial statements are eliminated.

Financial Statement Presentation

The Organization follows the recommendations of the Financial Accounting Standards Board ("FASB"). The FASB establishes standards for financial reporting by nonprofit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally imposed restrictions. A description of the two net asset categories is as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

1. Summary of Significant Accounting Policies, continued

Financial Statement Presentation, continued

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the consolidated statement of activities and changes in net assets as net assets released from restrictions.

Expenses are reported as decreases in net assets. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as revenue of the net asset without restrictions class.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Cash, Cash Equivalents, and Restricted Cash

The Organization defines cash and cash equivalents as highly liquid financial instruments purchased with a maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Restricted cash are funds restricted as to their use, regardless of liquidity, such as cash restricted for the use of McKay Avenue construction project and tenant security deposits. The Organization maintains all cash balances in financial institutions that may exceed the federally insured limits provided by the Federal Deposit Insurance Corporation, which currently insures up to \$250,000 per depositor, per institution. The Organization has not experienced any losses in such accounts.

Accounts Receivable

Accounts receivable consists primarily of noninterest-bearing amounts due for program services provided and are carried at the original billing amount less an estimate for uncollectible receivables determined by management based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. As of June 30, 2024, management has determined that no allowance for uncollectible receivables is necessary. All amounts are due within one year. As of June 30, 2023, accounts receivable was \$2,303,916 as restated (see Note 2).

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

1. Summary of Significant Accounting Policies, continued

Inventory

Inventory consisted of finished goods and totaled \$43,423 and \$26,772 as of June 30, 2024 and 2023, respectively.

Property and Equipment

Additions to property and equipment over \$1,500 are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or, in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included on the consolidated statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. The estimated useful lives used for calculating depreciation for property and equipment are as follows:

Office equipment	3 to 5 years
Maintenance equipment	5 years
Furnishings	5 years
Vehicles	5 to 10 years
Leasehold improvements	3 to 40 years

Management reviews the carrying value of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. For the year ended June 30, 2024, there were no indicators of asset impairment. As such, no impairment losses were recognized for the year ended June 30, 2024.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") assets – operating and lease liability – operating on the consolidated statement of financial position. There are no finance leases.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component. The capitalization threshold for the Organization to record a ROU asset and lease liability is \$1,500.

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

1. Summary of Significant Accounting Policies, continued

Revenue and Revenue Recognition

Revenue under cost-reimbursable grants is recognized in the same period that the associated costs are recognized. Payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related expenditures are incurred. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Lease proceeds are recorded as rental income at the beginning of each month.

The Organization received cost-reimbursement grants of \$8,824,275 that have not been recognized as of June 30, 2024, because qualifying expenditures have not yet been incurred. For the year ended June 30, 2024, refundable advances activity was as follows:

Refundable advances, beginning of year	\$	-
Add: increase in refundable advances due to cash received during the year		565,854
Less: returns to sponsor		-
Less: refundable advances recognized during the year		
		<hr/>
Refundable advances, end of year	\$	<u>565,854</u>

In-Kind Contribution

The Organization records in-kind rent as contributions at their estimated fair value and are reported as support without donor restrictions unless explicit donor stipulations specify how donated rent must be used. The fair value of this contributed space was determined using prevailing market rental rates for comparable properties in the local area.

Functional Allocation of Expenses

The costs of programs and supporting services activities have been summarized on a functional basis on the consolidated statement of activities and changes in net assets. The consolidated statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Some categories of expense are attributable to more than one function and are allocated on a consistent basis. Depreciation, utilities, and rent are allocated based on square footage and estimated function. Salaries, benefits, and program expense allocations are based on a percentage associated with an employee's function and imputed time.

Income Taxes

Under applicable laws and regulations, the Organization has been determined to be exempt from federal and California income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the related California Revenue and Taxation Code. Accordingly, no tax expense was incurred during the year and no provision for income taxes has been recorded in these consolidated financial statements.

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

1. Summary of Significant Accounting Policies, continued

Income taxes, continued

Accounting guidance issued by the FASB prescribes a recognition threshold and measurement attribute for consolidated financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Organization has evaluated its tax positions for all open tax years. In management's judgement, Organization did not have uncertain tax positions that are material to the consolidated financial statements as of June 30, 2024.

Concentrations

Receivable

For the year ended June 30, 2024, approximately 93% of the Organization's receivables were from two donors.

Revenue

For the year ended June 30, 2024, approximately 45% of the Organization's revenue came from one grant.

Recently Adopted Accounting Standards

FASB Accounting Standards Update ("ASU") 2016-13: *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), and related amendments, replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The new Current Expected Credit Losses ("CECL") model applies to financial assets at amortized cost, including trade receivables, contract assets and certain off-balance sheet credit exposures, such as loan commitments. ASU 2016-13 was effective for the Organization on July 1, 2023, and there was no material impact to the consolidated financial statements.

2. Correction of Errors

The Organization has restated its previously issued financial statements for the year ended June 30, 2023, to reflect the correction of various errors, including recognition of revenue and accounts receivable in the proper period, proper capitalization of property and equipment, the proper recognition and valuation of accrued liabilities and expenses.

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

2. Correction of Errors, continued

The impact on the Organization's previously issued statement of financial position as of June 30, 2023 was summarized as follows:

	Previously Reported	Increase/ Decrease	As Restated
ASSETS			
Accounts receivable	\$ 450,385	\$ 1,853,531	\$ 2,303,916
Property and equipment, net	2,760,532	894,718	3,655,250
Total assets	<u>\$ 3,210,917</u>	<u>\$ 2,748,249</u>	<u>\$ 5,959,166</u>
LIABILITIES			
Accrued interest and other liabilities	\$ 133,625	\$ 130,428	\$ 264,053
Total liabilities	<u>\$ 133,625</u>	<u>\$ 130,428</u>	<u>\$ 264,053</u>
NET ASSETS			
Without donor restrictions	\$ (2,724,937)	\$ 433,562	\$ (2,291,375)
With donor restrictions	17,717,236	2,184,259	19,901,495
Total net assets	<u>\$ 14,992,299</u>	<u>\$ 2,617,821</u>	<u>\$ 17,610,120</u>

3. Restricted Cash

The Organization has restricted cash held in separate bank accounts. Details are as follows as of June 30, 2024:

Mckay Avenue savings	\$ 14,423,896
Tenant security deposits	<u>95,072</u>
Total	<u>\$ 14,518,968</u>

Tenant Security Deposits

The Department of Housing and Urban Development ("HUD") requires all security deposits to be held in a separate bank account. These funds must remain in that account until they are either returned to the resident or otherwise utilized in accordance with HUD regulations. As such, this account is designated for resident security deposits and subject to HUD restrictions.

McKay Avenue Savings Account

Several donors have provided contributions to the Organization for the design, development and research for the McKay Avenue Wellness Center. The Organization records all cash contributions specific to the construction and development of the McKay Avenue within this account.

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

4. Liquidity and Availability

The Organization's financial assets available for general expenditures within one year of the consolidated statement of financial position date are as follows as of June 30, 2024:

Cash and cash equivalents	\$ 2,217,800
Accounts receivable	<u>2,764,693</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,982,493</u>

The Organization has a deficit of net assets without donor restrictions of \$3,196,494 as of June 30, 2024.

The Organization has evaluated its ability to continue as a going concern and will be obtaining unrestricted funding to support its operational needs through contributions and grants.

5. Property and Equipment, Net

Property and equipment, net consisted of the following as of June 30, 2024:

Leasehold improvements	\$ 11,841,701
Office furniture, furnishings, and equipment	426,431
Vehicles	<u>324,512</u>
Total depreciable property and equipment	12,592,644
Less: accumulated depreciation	(9,892,109)
Construction in process	<u>12,121,297</u>
Total property and equipment, net	<u>\$ 14,821,832</u>

Depreciation expense totaled \$405,362 for the year ended June 30, 2024.

6. Commitments and Contingencies

Operating Leases

The Organization leases printers for various terms under long-term, non-cancelable lease agreements. The leases expire in 2028 and provide for renewal options for five years. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

6. Commitments and Contingencies, continued

Operating Leases, continued

The following tables provide quantitative information concerning the Organization's leases for the year ended June 30, 2024:

Lease cost:	
Operating lease cost	<u>\$ 21,795</u>
Other information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	<u>\$ 21,795</u>
Weighted-average remaining lease term - operating leases	3.6 years
Weighted-average discount rate - operating leases	3.91%

A maturity analysis of annual undiscounted cash flows for lease liabilities was as follows as of June 30, 2024:

Year ending June 30:	
2025	\$ 21,795
2026	21,795
2027	21,795
2028	<u>33,087</u>
Undiscounted cash flows	98,472
Less: imputed interest	<u>5,331</u>
Total lease liabilities	<u>\$ 93,141</u>
Short-term lease liabilities	\$ 18,557
Long-term liabilities	<u>74,584</u>
	<u>\$ 93,141</u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

7. Notes Payable

Notes payable consisted of the following as of June 30, 2024:

Creditor	Notes Detail	Outstanding Balance
County of Alameda Office of Housing and Community Development (HCD)	Note originated August 1, 2005. The note bears interest at a rate of 0% per annum through the note's term, maturing January 21, 2058, and secured by a deed of trust. Principal is forgiven at the end of the term if APC complies with the terms of the note.	\$ 1,235,986
County of Alameda Office of Housing and Community Development (HCD)	Note originated April 1, 2001. The note bears interest at a rate of 0% per annum through the note's term, maturing September 30, 2060, and secured by a deed of trust. At the end of the term of this note, County may, at its sole discretion, forgive the balance of the note, if APC has complied with all the terms of the note.	500,000
County of Alameda Office of Housing and Community Development (HCD)	Note originated June 1, 2005. The note bears interest at a rate of 0% per annum through the note's term, maturing January 21, 2057, and secured by a deed of trust. Principal is forgiven at the end of the term if APC complies with the terms of the note.	934,360
County of Alameda Office of Housing and Community Development (HCD)	Note originated September 1, 2005. The note bears interest at a rate of 0% per annum through the note's term, maturing October 31, 2057, and secured by a deed of trust. Principal is forgiven at the end of the term if APC complies with the terms of the note.	620,000
City of Alameda	Note originated March 31, 2006. The note bears interest at a rate of 0% per annum through the note's term, ending April 2021. Principal is forgiven at the end of the term if APC complies with the terms of the note. A portion of the loan has been forgiven, the remaining is expected to be forgiven in future periods.	16,320
City of Alameda	The note bears interest at a rate of 0% per annum through the note's term, ending ending upon future sale of the property which is not planned or determined at this time and, therefore, deemed longterm.	28,200

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

7. Notes Payable, continued

Creditor	Notes Detail	Outstanding Balance
City of Alameda	Note originated March 4, 2011. The note bears interest at a rate of 0% per annum over 15 years. Principal are forgivable in fifteen equal annual installments of \$13,800.	32,734
City of Alameda	Note originated January 13, 2012. The note bears interest at a rate of 3% per annum through the note's term, ending January 2059. Principal and interest shall be deferred until January 2059.	379,000
County of Alameda Office of Housing and Community Development (HCD)	Note originated May 1, 2013. The note bears interest rate of 0% per annum through the note's term, ending July 31, 2072. The note is secured by Deed of Trust. Principal is forgiven at the end of the term if APC complies with the terms of the note.	365,607
County of Alameda Office of Housing and Community Development (HCD)	Note originated January 13, 2012. The note bears interest at a rate of 0% per annum through the note's term, ending January 2071. Principal and deferred interest payable at maturity, secured by Deed of Trust. At the end of the term, if Organization has complied with all the requirements of the regulatory agreement and Deed of Trust, the County may at its sole discretion, forgive any unpaid balance of the loan.	1,605,599
City of Alameda, A Municipal Corporation	Note originated December 1, 2017. The note bears interest at a rate of 0% per annum through the note's term, ending December 2032. Principal is forgiven at the end of the term if APC complies with the terms of the note.	127,274
Total		5,845,080
Less: current portion		26,467
Long-term portion		\$ 5,818,613

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

7. Notes Payable, continued

Following are maturities of long-term debt for each of the next five years and thereafter:

Year ending June 30:	
2025	\$ 26,467
2026	26,467
2027	17,801
2028	12,667
2029	12,667
Thereafter	<u>5,749,011</u>
Total notes payable	<u>\$ 5,845,080</u>

8. Acquisition of Leasehold Interest

During 2003, the Organization acquired the rights to a long-term lease (59 years) and the related leasehold improvements relating to the renovation of 12 residential housing units (dba Unity Village).

During 2005, the Organization assumed leasehold improvements, debt and management of four additional multi-family housing units (Miramar, Mariposa, and Spirit of Hope I&II). The Organization also manages one other multi-unit, which is owned by separate unaffiliated corporation.

In December 2010, the Organization entered into a Legal Binding Agreement with the City of Alameda (the "City") and the Alameda County Housing and Community Development Department (HCD) to take over the lease of Dignity Housing West, Inc. ("DHW") at Alameda Point. The terms of the agreement is to support and fund housing costs for formerly homeless families and individuals living in DHW. The Organization was reimbursed for costs associated with establishing a legal parcel, transferring the property from DHW to the Organization, the development of new loan documents and the recordation of those loan documents.

The Organization incurred in-kind lease contribution revenue and expenses totaling \$4,151,607 for the year ended June 30, 2024.

9. McKay Avenue LLC and Property ("McKay Avenue")

In April of 2017, the federal government declared property on McKay Avenue surplus and suitable for homeless accommodations. The Organization applied for and successfully secured the rights to acquire the property at no cost. The Organization plans on renovating and developing the property into a multi-purpose campus for homeless services, providing 90 units of permanent supportive housing for homeless seniors, a 50 bed medical respite center for homeless being discharged from hospital treatment and needing after care, medical services for those two groups, and a local resource center for Alamedans at risk of or newly homeless. The project is currently under construction with \$6,472,679 of contributions received during 2024, restricted for the construction of the property (see Note 11).

Several donors have provided contributions to the Organization for the design, development and research into best practices for the McKay Avenue Wellness Center. There are no requirements to repay the funds. See Note 10 for details of net assets with donor restrictions.

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

10. Joint Venture Development

On December 4, 2015, the Organization entered into a memorandum of understanding with MidPen Housing Corporation to pursue the development of homeless housing in Alameda, California. The Organization will obtain ownership rights once the housing units are complete and residents have moved in.

The Organization has been actively engaged in negotiations with the City to acquire various parcels located in the Main Street Neighborhood on the former Naval Air Station (the "Site"). To facilitate the development, the Organization formed a LLC which will serve as the general partner in a syndicated tax credit partnership. The formation process commenced in January 2016. The Organization holds full ownership of the LLC and, accordingly, the LLC is consolidated in the Organization's consolidated financial statements. The development activities are contingent upon the Organization's ability to satisfactorily complete feasibility analyses and property due diligence, negotiate the disposition of the property with the City, refinance existing property obligations, obtain public entitlements for development, and secure and syndicate tax credits for the project.

11. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the construction of the McKay Avenue. Net assets with donor restrictions amounted to the following as of June 30, 2024:

	(Restated) Beginning Restricted Net Assets	Additions	Releases	2024
McKay Avenue Project	\$ 19,901,495	\$ 6,472,679	\$ -	\$ 26,374,174
Farm electrical update	-	10,134	-	10,134
Total	<u>\$ 19,901,495</u>	<u>\$ 6,482,813</u>	<u>\$ -</u>	<u>\$ 26,384,308</u>

12. Subsequent Events

The Organization evaluated subsequent events for recognition and disclosure through November 4, 2025, the date which these consolidated financial statements were issued. Management concluded that no other material events have occurred since June 30, 2024 that require recognition or disclosure in these consolidated financial statements.

SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
Alameda Point Collaborative, Inc. and Subsidiary
Alameda, California

We have audited the consolidated financial statements of Alameda Point Collaborative, Inc. and Subsidiary as of and for the year ended June 30, 2024, and have issued our report thereon dated November 4, 2025, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The consolidated statement of activities and changes in net assets by property is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

BPM LLP

San Jose, California
November 4, 2025

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY
For the year ended June 30, 2024

	<u>New Life Gardens Property</u>
Revenue and support:	
Government contracts	\$ 29,735
Tenant assistance program	87,771
Rental revenue	34,161
Other income	<u>1,486</u>
 Total revenue and support	 <u>153,153</u>
Expenses:	
Salaries and wages	30,874
Payroll taxes	2,567
Employee benefits	5,264
Workers compensation insurance	901
Accounting and audit fees	133
Property and liability insurance	10,631
Supplies and office expenses	583
Professional fees	1,088
Telephone and fax	1,605
Utilities	8,811
Refusal removal	10,555
Printing and copying	603
Maintenance contracts	1,741
Ground maintenance	13,309
Program expenses	11,888
Vehicle expenses	1,116
In-kind lease expenses	2,361
Depreciation expense	<u>35,169</u>
 Total expenses	 <u>139,199</u>
 Change in net assets	 <u><u>\$ 13,954</u></u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	<u>New Life Gardens Transitional</u>
Revenue and support:	
Tenant assistance program	\$ 214,637
Rental revenue	217,122
Other income	<u>1,382</u>
Total revenue and support	<u>433,141</u>
Expenses:	
Salaries and wages	83,306
Payroll taxes	6,927
Employee benefits	14,203
Workers compensation insurance	2,432
Accounting and audit fees	359
Property and liability insurance	28,560
Supplies and office expenses	1,572
Professional fees	2,932
Telephone and fax	4,331
Utilities	19,009
Refusal removal	26,069
Printing and copying	1,628
Maintenance contracts	5,463
Ground maintenance	31,853
Program expenses	43,190
Vehicle expenses	3,012
In-kind lease expenses	6,365
Depreciation expense	<u>117,561</u>
Total expenses	<u>398,772</u>
Change in net assets	<u>\$ 34,369</u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	<u>Mariposa</u>
Revenue and support:	
Government contracts	\$ 90,088
Tenant assistance program	236,589
Rental revenue	82,777
Other income	<u>20,883</u>
Total revenue and support	<u>430,337</u>
Expenses:	
Salaries and wages	74,099
Payroll taxes	6,161
Employee benefits	12,633
Workers compensation insurance	2,163
Accounting and audit fees	1,070
Property and liability insurance	25,472
Supplies and office expenses	1,399
Professional fees	2,609
Telephone and fax	3,852
Utilities	20,145
Refusal removal	23,689
Printing and copying	1,448
Maintenance contracts	3,862
Ground maintenance	33,991
Program expenses	32,532
Vehicle expenses	2,679
In-kind lease expenses	5,663
Depreciation expense	<u>33,914</u>
Total expenses	<u>287,381</u>
Change in net assets	<u>\$ 142,956</u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	<u>Miramar</u>
Revenue and support:	
Tenant assistance program	\$ 158,423
Rental revenue	<u>47,202</u>
Total revenue and support	<u>205,625</u>
Expenses:	
Salaries and wages	71,121
Payroll taxes	5,914
Employee benefits	12,126
Workers compensation insurance	2,076
Accounting and audit fees	307
Property and liability insurance	15,193
Supplies and office expenses	1,343
Professional fees	2,506
Telephone and fax	3,697
Utilities	8,128
Refusal removal	24,710
Printing and copying	1,389
Maintenance contracts	4,364
Ground maintenance	23,062
Program expenses	28,473
Vehicle expenses	2,570
In-kind lease expenses	5,440
Depreciation expense	<u>14,740</u>
Total expenses	<u>227,159</u>
Change in net assets	<u><u>\$ (21,534)</u></u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	<u>Spirit of Hope 1</u>
Revenue and support:	
Government contracts	\$ 66,131
Tenant assistance program	335,574
Rental revenue	100,249
Other income	<u>3,451</u>
Total revenue and support	<u>505,405</u>
Expenses:	
Salaries and wages	117,432
Payroll taxes	9,764
Employee benefits	20,022
Workers compensation insurance	3,428
Accounting and audit fees	1,545
Property and liability insurance	28,443
Supplies and office expenses	2,217
Professional fees	4,137
Telephone and fax	6,104
Utilities	22,962
Refusal removal	33,817
Printing and copying	2,294
Maintenance contracts	10,442
Ground maintenance	53,807
Program expenses	51,981
Vehicle expenses	4,244
In-kind lease expenses	8,982
Depreciation expense	<u>26,624</u>
Total expenses	<u>408,245</u>
Change in net assets	<u>\$ 97,160</u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	<u>Spirit of Hope 2</u>
Revenue and support:	
Government contracts	\$ 88,500
Tenant assistance program	227,555
Rental revenue	76,102
Other income	<u>9,106</u>
Total revenue and support	<u>401,263</u>
Expenses:	
Salaries and wages	92,680
Payroll taxes	7,706
Employee benefits	15,801
Workers compensation insurance	2,706
Accounting and audit fees	7,555
Property and liability insurance	28,026
Supplies and office expenses	1,749
Professional fees	3,263
Telephone and fax	4,818
Utilities	24,722
Refusal removal	29,742
Printing and copying	1,811
Maintenance contracts	11,046
Ground maintenance	38,393
Program expenses	48,449
Vehicle expenses	3,350
In-kind lease expenses	7,083
Depreciation expense	<u>37,057</u>
Total expenses	<u>365,957</u>
Change in net assets	<u>\$ 35,306</u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	<u>Unity Village</u>
Revenue and support:	
Government contracts	\$ 95,205
Tenant assistance program	126,228
Rental revenue	63,384
Other income	<u>124,586</u>
 Total revenue and support	 <u>409,403</u>
Expenses:	
Salaries and wages	55,684
Payroll taxes	4,630
Employee benefits	9,494
Workers compensation insurance	1,625
Accounting and audit fees	23,178
Property and liability insurance	17,925
Supplies and office expenses	1,051
Professional fees	1,962
Telephone and fax	2,894
Utilities	21,065
Refusal removal	16,742
Printing and copying	1,088
Maintenance contracts	2,752
Ground maintenance	17,637
Program expenses	105,739
Vehicle expenses	2,013
In-kind lease expenses	4,259
Depreciation expense	<u>15,572</u>
 Total expenses	 <u>305,310</u>
 Change in net assets	 <u>\$ 104,093</u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	<u>Common Facilities</u>
Expenses:	
Salaries and wages	\$ 19,933
Payroll taxes	1,658
Employee benefits	3,398
Workers compensation insurance	583
Accounting and audit fees	86
Property and liability insurance	605
Supplies and office expenses	375
Professional fees	698
Telephone and fax	1,038
Utilities	132
Refusal removal	5,522
Printing and copying	390
Maintenance contracts	987
Ground maintenance	7,501
Program expenses	7,446
Vehicle expenses	722
In-kind lease expenses	1,516
Depreciation expense	<u>2,256</u>
Total expenses	<u>54,846</u>
Change in net assets	<u><u>\$ (54,846)</u></u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	650 <u>West Ranger</u>
Revenue and support:	
Rental revenue	\$ 78,649
Other income	<u>600</u>
Total revenue and support	<u>79,249</u>
Expenses:	
Program expenses	6,885
Utilities	35,559
Property and liability insurance	92,297
Ground maintenance	2,454
Maintenance contracts	450
Depreciation expense	<u>1,106</u>
Total expenses	<u>138,751</u>
Change in net assets	<u><u>\$ (59,502)</u></u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	<u>Stardust</u>
Expenses:	
Telephone and fax	\$ 294
Utilities	5,854
Maintenance contracts	2,480
Ground maintenance	2,683
Program expenses	<u>2,264</u>
 Total expenses	 <u>13,575</u>
 Change in net assets	 <u>\$ (13,575)</u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

677

West Ranger

Revenue and support:

Rental revenue	\$ 4,140
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Total revenue and support	<u>4,140</u>
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Expenses:

Supplies and office expenses	495
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Telephone and fax	334
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Utilities	19,717
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Refusal removal	8,687
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Maintenance contracts	8,870
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Ground maintenance	1,174
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Program expenses	10,742
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Depreciation expense	<u>21,380</u>
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Total expenses	<u>71,399</u>
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Change in net assets	<u>\$ (67,259)</u>
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ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	629 <u>Building</u>
Expenses:	
Supplies and office expenses	\$ 526
Telephone and fax	4,105
Printing and copying	500
Maintenance contracts	2,700
Ground maintenance	13,015
Program expenses	107,771
Depreciation expense	<u>12,763</u>
 Total expenses	 <u>141,380</u>
 Change in net assets	 <u><u>\$ (141,380)</u></u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	<u>BCC Managed Property</u>
Revenue and support:	
Property management revenue	\$ 53,760
Contract revenue	<u>28,000</u>
Total revenue and support	<u>81,760</u>
Expenses:	
Salaries and wages	77,605
Payroll taxes	6,079
Employee benefits	10,181
Workers compensation insurance	179
Accounting and audit fees	1,020
Property and liability insurance	7,006
Supplies and office expenses	3,475
Professional fees	8,400
Telephone and fax	11,093
Refusal removal	60,672
Printing and copying	4,356
Maintenance contracts	8,543
Ground maintenance	51,977
Program expenses	69,242
Vehicle expenses	3,281
Bad Debt Expense	-
In-kind lease expenses	18,234
Depreciation expense	<u>60,784</u>
Total expenses	<u>402,127</u>
Change in net assets	<u>\$ (320,367)</u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROPERTY, Continued
For the year ended June 30, 2024

	<u>Mckay Avenue</u>
Revenue and support:	
Contributions	<u>\$ 6,472,679</u>
Total revenue and support	<u>6,472,679</u>
Expenses:	
Salaries and wages	41,532
Payroll taxes	3,369
Workers compensation insurance	101
Accounting and audit fees	241,998
Supplies and office expenses	674
Utilities	32,017
Program expenses	<u>153,317</u>
Total expenses	<u>473,008</u>
Change in net assets	<u><u>\$ 5,999,671</u></u>

INDEPENDENT AUDITORS' 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 *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Alameda Point Collaborative, Inc. and Subsidiary.
Alameda, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Alameda Point Collaborative, Inc. and Subsidiary, (the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 4, 2025.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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 Organization's consolidated financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2024-004 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompany schedule of findings and question costs as item 2024-005.

Response to Findings

the Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and costs questioned. The Organization's, response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

BPM LLP

San Jose, California
November 4, 2025

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

To the Board of Directors
Alameda Point Collaborative, Inc. and Subsidiary.
Alameda, California

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Alameda Point Collaborative, Inc. and Subsidiary's (the "Organization's") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying schedule of findings and questioned costs as items 2024-005. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 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.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-005 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on The Organization's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

BPM LLP

San Jose, California
November 4, 2025

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
<i>Passed Through: Alameda County Housing and Community Development</i>		
Program: Supportive Housing Program	14.235	\$ 1,386,777
Program: Supportive Housing Program Loan	14.235	400,000
		<u>1,786,777</u>
Program: Continuum of Care	14.267	1,479,638
<i>Passed Through: Alameda County Housing and Community Development</i>		
Program: Community Development Block Grant Loan	14.218	2,236,294
<i>Passed Through: City of Alameda</i>		
Program: Community Development Block Grant	14.218	124,976
Program: Community Development Block Grant Loan	14.218	91,054
Program: Community Development Block Grant Loan (NLG)	14.218	139,941
		<u>2,592,265</u>
<i>Passed Through: Alameda County Housing and Community Development</i>		
Program: Home Investment Partnerships Program Loan	14.239	1,683,887
<i>Passed Through: City of Alameda</i>		
Program: Home Investment Partnerships Program Loan	14.239	379,000
		<u>2,062,887</u>
<i>Passed Through: Alameda County Housing and Community Development</i>		
Program: Housing Opportunities for Persons with Aids Loan	14.241	585,228
<u>U.S. Department of Housing and Urban Development</u>		<u>8,506,795</u>
Total Expenditures of Federal Awards		<u>\$ 8,506,795</u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Alameda Point Collaborative, Inc. and Subsidiary (the "Organization") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Organization has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Loans Outstanding

The following program had federally funded loans outstanding as of June 30, 2024:

Program Title	AL #	Amounts Outstanding June 30, 2024
Supportive Housing Program Loan	14.235	\$ 400,000
Home Investment Partnerships Program Loan	14.239	2,062,887
Housing Opportunities for Persons with Aids Loan	14.241	585,228
Community Development Block Grant Loan	14.218	2,440,822
		<u>\$ 5,488,937</u>

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2024

Section I: Summary of Audit Results

Financial Statements

- | | |
|---|------------------------------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting | |
| a. Material weaknesses identified? | 2024-001,
2024-002,
2024-003 |
| b. Significant deficiencies identified? | 2024-004 |
| 3. Noncompliance material to the consolidated financial statements noted? | Yes |

Federal Awards

- | | |
|---|-----------|
| 4. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | 2024-005 |
| 5. Type of auditors' report issued on compliance for major programs: | Qualified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a): | Yes |
| 7. Identification of major programs: | |

Federal Assistance

Listing Number

Name of Federal Program or Cluster

14.267

Continuum of Care

14.218

CDBG- Entitlement/Special Purpose Grants Cluster

- | | |
|---|-----------|
| 8. Dollar threshold used to distinguish between type A and type B Programs: | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | No |

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued

For the year ended June 30, 2024

Section II: Financial Statement Findings

Financial Statement Findings

2024-001 – McKay Avenue Project

Type of Finding:

Material Weakness in Internal Control Over Financial Reporting

Criteria:

Donor imposed restrictions on long-lived assets should be released when the asset is placed in service and available for its intended use. Costs directly attributable to the construction of the project should be capitalized. Retainage amounts on construction invoices should be accrued as of year-end.

Condition and Context:

During the audit engagement, it was identified that several development-phase costs were incorrectly expensed rather than capitalized. In addition, retainage amounts included in construction invoices were not properly accrued as liabilities.

Effect:

The construction in progress was understated due to expenses being reported instead of capitalized. As such, changes in net assets were also incorrect. In addition, the future liability for the construction retainage was not reflected in the consolidated financial statements.

Cause:

Failure to implement and enforce adequate controls over the accounting treatment of construction-related transactions, including proper reporting of capitalized or expensed capitalization of costs, and accrual of retainage.

Recommendation:

Management should review all development-phase costs at year-end and ensure that costs directly attributable to construction are appropriately capitalized or expensed.

Management should review all construction invoices at year-end and accrue retainage amounts.

Views of Responsible Official:

Management has identified and implemented processes and procedures that will ensure that significant account balances are reconciled, to ensure that amounts reported in the consolidated financial statements are appropriately accounted for in accordance with generally accepted accounting principles

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued

For the year ended June 30, 2024

Section II: Financial Statement Findings, continued

Financial Statement Findings, continued

2024-002 – Interest Accrual

Type of Finding:

Material Weakness in Internal Control Over Financial Reporting

Criteria:

Interest should be accrued on outstanding debt based on the terms of the agreement.

Condition and Context:

During the audit engagement, it was identified that the Organization entered into an agreement of outstanding debt, which accrues simple interest yearly but was not accruing for the interest.

Effect:

The understatement of accrued interest, overstatement of net assets, and understatement of interest expense.

Cause:

The Organization did not have adequate procedures or controls in place to monitor and accrue interest on outstanding debt in accordance with the terms of the agreements. This resulted from a lack of periodic review of debt agreements and insufficient training or oversight regarding the accrual requirements.

Repeat Finding:

The finding is a repeat finding.

Recommendation:

We recommend that management review outstanding debt agreements that have been entered into and follow the terms of the agreement.

Views of Responsible Official:

Management has identified and implemented processes and procedures that will ensure that significant account balances are reconciled, in order to ensure that amounts reported in the consolidated financial statements are appropriately accounted for in accordance with generally accepted accounting principles.

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued

For the year ended June 30, 2024

Section II: Financial Statement Findings, continued

Financial Statement Findings, continued

2024-003 – Proper Recognition of Revenue

Type of Finding:

Material Weakness in Internal Control Over Financial Reporting

Criteria:

Revenue from conditional contributions should be recognized in the period when the Organization satisfies the conditions. Revenue from unconditional contributions should be recognized in the period the unconditional promise to give is entered.

Condition and Context:

During the audit engagement, it was observed that the Organization recorded revenue as funds were received.

Effect:

The understatement of revenue, understatement of beginning net assets, understatement of refundable advances and understatement of accounts receivable.

Cause:

Lack of clear procedures and controls to distinguish between conditional and unconditional awards.

Repeat Finding:

The finding is a repeat finding.

Recommendation:

We recommend that management review all agreements and provide targeted technical training on revenue recognition standards for conditional and unconditional grants.

Views of Responsible Official:

Management has identified and implemented processes and procedures that will ensure that significant account balances are reconciled, in order to ensure that amounts reported in the consolidated financial statements are appropriately accounted for in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued

For the year ended June 30, 2024

Section II: Financial Statement Findings, continued

Financial Statement Findings, continued

2024-004 – Improper Recognition of Employee Retention Credit (“ERC”)

Type of Finding:

Significant Deficiency in Internal Control Over Financial Reporting

Criteria:

ERC should be recognized as a contribution in the period when the underlying conditions for recognition are substantially met, not when the cash is received.

Condition and Context:

During the audit engagement, it was identified that the Organization recognized the ERC on a cash basis when the refund checks were received in July 2023, rather than in the period when the conditions for recognition were met.

Effect:

The overstatement of revenue and understatement of beginning net assets.

Cause:

Lack of controls and technical training regarding the proper period-end recognition of conditional contributions.

Repeat Finding:

The finding is not a repeat finding.

Recommendation:

We recommend that management review all agreements and provide targeted technical training on revenue recognition standards for conditional grants.

Views of Responsible Official:

Management has identified and implemented processes and procedures that will ensure that significant account balances are reconciled, to ensure that amounts reported in the consolidated financial statements are appropriately accounted for in accordance with U.S. GAAP.

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued

For the year ended June 30, 2024

Section III: Federal Findings and Questioned Costs

2024-005: Requirements set forth in the loan agreements

Federal Agency: U.S. Department of Housing and Urban Development Federal Program

Name: Community Development Block Grant

Assistance Listing Number: 14.218

Federal Award Identification Year: 2024

Pass-Through Agency: Alameda County Housing and Community Development and County of Alameda

Award Period: 2021 - 2059

Type of Finding:

Significant Deficiency in Internal Control Over Compliance

Criteria:

The Organization does not comply with the terms of its loan agreements.

Condition and Context:

During the audit engagement, it was identified that the Organization does not perform a reconciliation of excess cash for cash reserves and does not obtain supporting documentation for qualifying low-income housing individuals.

Effect:

Failure to comply with the loan agreement.

Cause:

Failure in the implementation of controls throughout the year.

Repeat Finding:

The finding is not a repeat finding.

Recommendation:

We recommend that management implement a reconciliation of excess cash and obtain supporting documentation to validate low-income housing individuals to comply with the requirements set forth in the loan agreements.

Views of Responsible Official:

Management will review its controls and adopt a formal reserve reconciliation and obtain the required documentation.

ALAMEDA POINT COLLABORATIVE, INC. AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued

For the year ended June 30, 2024

Section IV: Status of Prior Year Audit Findings

Financial Statement Findings

BPM notes the below findings were resolved in the current year:

1. 2023-001 – This finding appears to have been adequately corrected.
2. 2023-002 – This finding appears to have been adequately corrected.
3. 2023-003 – This finding appears to have been adequately corrected.
4. 2023-004 – This finding appears to have been adequately corrected.
5. 2023-005 – This finding appears to have been adequately corrected.
6. 2023-006 – This finding appears to have been adequately corrected.
7. 2023-009 – This finding appears to have been adequately corrected.

These findings were not resolved and continue to be a current year finding:

1. 2023-007 – Proper Recognition of Revenue – current year finding 2024-003 and 2024-004
2. 2023-008 – Accrued Interest – current year finding 2024-002

Federal Findings and Questioned Costs

These findings were not resolved and continue to be a current year finding:

N/A



**APC's Corrective Action Plan
November 4th, 2025**

**Alameda Point Collaborative, Inc. Fiscal Year Ended June 30, 2024,
Financial Statement Findings**

2024-001 – McKay Avenue Project

- **Action Steps:**
 1. Implement a review process for all development-phase costs to ensure proper capitalization or expensing.
 2. Establish procedures to review construction invoices and accrue retainage amounts at year-end.
 3. Train accounting staff on proper accounting treatment for construction-related transactions.
- **Responsible Party:** Finance Manager
- **Timeline:** Implement by December 31, 2024

2024-002 – Interest Accrual

- **Action Steps:**
 1. Conduct a comprehensive review of all outstanding debt agreements to identify interest accrual requirements.
 2. Develop a tracking system to monitor and accrue interest on outstanding debt annually.
 3. Provide training to staff on debt agreement terms and interest accrual processes.
- **Responsible Party:** Finance Manager
- **Timeline:** Implement by January 31, 2025

2024-003 – Proper Recognition of Revenue

- **Action Steps:**
 1. Review all grant agreements to distinguish between conditional and unconditional contributions.
 2. Update revenue recognition policies to align with U.S. GAAP standards.
 3. Provide targeted training to staff on revenue recognition standards for conditional and unconditional grants.
- **Responsible Party:** Finance Manager
- **Timeline:** Implement by February 28, 2025

2024-004 – Improper Recognition of Employee Retention Credit (ERC)

- **Action Steps:**
 1. Review ERC recognition policies to ensure compliance with accounting standards.
 2. Train staff on recognizing conditional contributions in the correct reporting period.
 3. Implement a review process for all conditional contributions to ensure proper recognition.
- **Responsible Party:** Finance Manager
- **Timeline:** Implement by January 31, 2025

2024-005 – Community Development Block Grant Compliance

- **Action Steps:**
 1. Develop a reconciliation process for excess cash reserves to ensure compliance with loan agreements.
 2. Implement procedures to obtain and maintain documentation for qualifying low-income housing individuals.
 3. Train staff on compliance requirements for loan agreements and reconciliation processes.
- **Responsible Party:** Compliance Officer
- **Timeline:** Implement by March 31, 2025

Monitoring and Reporting

- **Action Steps:**
 1. Establish a quarterly review process to monitor the implementation of corrective actions.
 2. Report progress to the Board of Directors and external auditors.
 3. Conduct an annual internal audit to ensure compliance with financial reporting and federal requirements.
- **Responsible Party:** Executive Director and Audit Committee
- **Timeline:** Ongoing

Conclusion

Alameda Point Collaborative, Inc. is committed to addressing the identified findings and strengthening its internal controls and compliance processes. The organization will ensure that all corrective actions are implemented within the specified timelines and will provide regular updates to stakeholders on progress.

Sincerely,

A handwritten signature in black ink that reads "Jack Yassa". The signature is written in a cursive, flowing style.

Jack Yassa
Director of Finance