

**CHILDREN'S BUREAU OF
SOUTHERN CALIFORNIA AND
CHILDREN'S BUREAU FOUNDATION**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
AND CHILDREN'S BUREAU FOUNDATION**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

**AUDIT
AND
ASSURANCE**

INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors
Children's Bureau of Southern California and
Children's Bureau Foundation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Children's Bureau of Southern California and Children's Bureau Foundation (nonprofit organization) (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2022, 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 consolidated financial position of the Organization as of June 30, 2022, and the consolidated changes in their net assets and their consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Auditor's 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.

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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 issued.

To the Boards of Directors
Children's Bureau of Southern California and
Children's Bureau Foundation

Auditor's Responsibility 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 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 about 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.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

To the Boards of Directors
Children's Bureau of Southern California and
Children's Bureau Foundation

Other Matters - 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 and Non-Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Department of Social Services Form 12FFA are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the 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 29, 2022 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Green Hasson & Janks LLP

November 29, 2022
Los Angeles, California

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
AND CHILDREN'S BUREAU FOUNDATION**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2022

With Summarized Totals at June 30, 2021

ASSETS	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Cash and Cash Equivalents	\$ 1,643,258	\$ -	\$ 1,643,258	\$ 8,898,924
Investments	15,092,473	2,959,322	18,051,795	21,000,156
Accounts and Other Receivables	9,072,454	-	9,072,454	6,213,678
Pledges Receivable	-	2,276,118	2,276,118	374,500
Prepaid Expenses and Other Assets	567,291	-	567,291	678,826
Property and Equipment (Net)	18,920,552	-	18,920,552	14,932,451
TOTAL ASSETS	\$ 45,296,028	\$ 5,235,440	\$ 50,531,468	\$ 52,098,535
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable	\$ 1,760,154	\$ -	\$ 1,760,154	\$ 1,794,480
Accrued Liabilities	5,848,731	-	5,848,731	6,723,824
Deferred Revenue	252,353	-	252,353	2,015,304
Paycheck Protection Program Loan	-	-	-	742,107
Line of Credit	2,085,000	-	2,085,000	-
TOTAL LIABILITIES	9,946,238	-	9,946,238	11,275,715
NET ASSETS:				
Without Donor Restrictions (Note 9)				
Undesignated	21,678,036	-	21,678,036	20,730,459
Board Designated	13,671,754	-	13,671,754	15,998,562
With Donor Restrictions (Note 10)	-	5,235,440	5,235,440	4,093,799
TOTAL NET ASSETS	35,349,790	5,235,440	40,585,230	40,822,820
TOTAL LIABILITIES AND NET ASSETS	\$ 45,296,028	\$ 5,235,440	\$ 50,531,468	\$ 52,098,535

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
AND CHILDREN'S BUREAU FOUNDATION**

CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

With Summarized Totals for the Year Ended June 30, 2021

	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT:				
Government Grants and Contracts	\$ 41,805,565	\$ -	\$ 41,805,565	\$ 36,745,470
Contributions	1,337,546	2,675,000	4,012,546	2,138,170
Special Events (Net of Direct Donor Benefit Expenses of \$315,397)	720,354	-	720,354	842,494
Contributions In-Kind	857,665	-	857,665	773,324
Rental and Other Income	1,335,534	-	1,335,534	1,275,276
Paycheck Protection Program Loan Forgiveness, Net of Reserve	-	-	-	2,182,394
Net Assets Released from Donor Restrictions	1,078,168	(1,078,168)	-	-
TOTAL REVENUE AND SUPPORT	47,134,832	1,596,832	48,731,664	43,957,128
EXPENSES:				
Program Services	39,847,710	-	39,847,710	36,683,975
Management and General	5,155,543	-	5,155,543	5,459,131
Fundraising	1,099,301	-	1,099,301	1,124,413
TOTAL EXPENSES	46,102,554	-	46,102,554	43,267,519
CHANGE IN NET ASSETS BEFORE INVESTMENT RETURN	1,032,278	1,596,832	2,629,110	689,609
Investment Return (Net)	(2,411,509)	(455,191)	(2,866,700)	3,471,892
CHANGE IN NET ASSETS	(1,379,231)	1,141,641	(237,590)	4,161,501
Net Assets - Beginning of Year	36,729,021	4,093,799	40,822,820	36,661,319
NET ASSETS - END OF YEAR	\$ 35,349,790	\$ 5,235,440	\$ 40,585,230	\$ 40,822,820

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
AND CHILDREN'S BUREAU FOUNDATION**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

With Summarized Totals for the Year Ended June 30, 2021

	2022								2021 Total
	Program Services			Supporting Services			Total Support Services	Total	
	Child Abuse Prevention Services	Mental Health	Specialized Foster Care and Adoption	Total Program Services	Management and General	Fundraising			
Salaries	\$ 6,587,560	\$ 11,647,375	\$ 2,131,896	\$ 20,366,831	\$ 2,625,485	\$ 751,547	\$ 3,377,032	\$ 23,743,863	\$ 23,216,991
Employee Benefits and Payroll Taxes	1,693,314	2,700,017	536,892	4,930,223	552,505	160,112	712,617	5,642,840	5,960,231
TOTAL PERSONNEL COST	8,280,874	14,347,392	2,668,788	25,297,054	3,177,990	911,659	4,089,649	29,386,703	29,177,222
Professional and Temporary Services	3,603,719	1,372,794	85,410	5,061,923	627,173	21,133	648,306	5,710,229	3,826,235
Direct Client Services	451,239	65,237	1,963,063	2,479,539	-	-	-	2,479,539	2,394,122
Subcontractors	2,392,776	-	10,559	2,403,335	-	-	-	2,403,335	2,141,819
Occupancy	263,699	865,993	65,760	1,195,452	91,771	9,168	100,939	1,296,391	1,332,355
Awareness Campaign	-	-	850,693	850,693	-	-	-	850,693	588,729
Depreciation	452,902	104,064	40,928	597,894	141,279	22,778	164,057	761,951	634,096
Computers and Software	105,386	263,413	14,134	382,933	182,328	27,134	209,462	592,395	684,846
Communications	159,571	189,014	30,336	378,921	66,922	7,086	74,008	452,929	494,655
Insurance	23,078	9,328	46,089	78,495	331,918	1,640	333,558	412,053	364,813
Recruitment and Training	121,247	48,153	75,319	244,719	77,934	20,448	98,382	343,101	347,534
Dues and Subscriptions	39,430	78,244	28,058	145,732	157,007	12,316	169,323	315,055	305,674
Books and Supplies	237,580	15,688	5,286	258,554	6,576	10,769	17,345	275,899	259,010
Promotion and Outreach	61,626	800	24,959	87,385	108,183	1,755	109,938	197,323	161,114
Miscellaneous	18,261	9,847	18,699	46,807	119,569	27,481	147,050	193,857	200,560
Utilities	70,968	51,700	9,589	132,257	34,514	5,299	39,813	172,070	149,316
Travel	39,682	14,886	35,227	89,795	1,972	1,846	3,818	93,613	19,708
Equipment and Vehicle Expense	29,793	41,878	5,186	76,857	5,338	950	6,288	83,145	99,126
Printing and Postage	26,984	4,253	8,128	39,365	25,069	17,839	42,908	82,273	86,585
TOTAL 2022 FUNCTIONAL EXPENSES	\$ 16,378,815	\$ 17,482,684	\$ 5,986,211	\$ 39,847,710	\$ 5,155,543	\$ 1,099,301	\$ 6,254,844	\$ 46,102,554	
				86%	12%	2%	14%	100%	
TOTAL 2021 FUNCTIONAL EXPENSES	\$ 13,918,082	\$ 17,145,699	\$ 5,620,194	\$ 36,683,975	\$ 5,459,131	\$ 1,124,413	\$ 6,583,544		\$ 43,267,519
				85%	13%	2%	15%		100%

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
AND CHILDREN'S BUREAU FOUNDATION**

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended June 30, 2022
With Summarized Totals for the Year Ended June 30, 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (237,590)	\$ 4,161,501
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities:		
Depreciation	761,951	634,096
Non-Cash Contributions of Securities	-	(36,588)
Non-Cash Forgiveness of Paycheck Protection Program Loan	-	(4,559,291)
Realized and Unrealized (Gains) Losses on Investments	3,062,484	(3,140,495)
(Increase) Decrease in:		
Accounts and Other Receivables	(2,858,776)	(774,353)
Pledges Receivable	(1,901,618)	777,014
Prepaid Expenses and Other Assets	111,535	(435,361)
Increase (Decrease) in:		
Accounts Payable	(34,326)	546,948
Accrued Liabilities	(875,093)	1,441,350
Deferred Revenue	(1,762,951)	2,015,304
	(3,734,384)	630,125
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on Sale of Investments	4,036,942	23,457,130
Purchase of Investments	(4,151,065)	(24,143,559)
Purchase of Property and Equipment	(4,750,052)	(689,058)
	(4,864,175)	(1,375,487)
CASH FLOWS FROM FINANCING ACTIVITIES -		
Proceeds from Line of Credit (Net)	2,085,000	-
Payments on Paycheck Protection Program Loan	(742,107)	-
	1,342,893	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,255,666)	(745,362)
Cash and Cash Equivalents - Beginning of Year	8,898,924	9,644,286
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,643,258	\$ 8,898,924

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA AND CHILDREN'S BUREAU FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2022

NOTE 1 - NATURE OF ORGANIZATION

Children's Bureau of Southern California (Children's Bureau) works to build the well-being of communities and families to ensure that children can thrive, free from the risk of child maltreatment and other forms of adversity.

Children's Bureau has been a nonprofit leader in child well-being since 1904. In 2022, Children's Bureau provided support to nearly 40,000 families across Southern California. With more than a century of experience in working with families, Children's Bureau has learned that because children develop so rapidly, every experience counts. That's why Children's Bureau works with families and communities to steer clear of problems they can see ahead - an innovative, proven approach known as primary prevention. Children's Bureau works with families who are facing serious stresses like financial strain, housing insecurity, or employment discrimination - stresses that research has shown can make it harder for families to tune in to children's needs. At family resource centers that Children's Bureau operates or supports, families get connected to community programs that can shore up their physical, financial, or emotional wellbeing. At the same time, Children's Bureau provides opportunities for families to expand their skills in building children's well-being including child development classes, parenting support groups, in-home visits, and family bonding activities. All of this helps to reduce the risk of challenges within the family - like abuse, neglect, or behavioral problems - but when problems arise, Children's Bureau is there to offer family coaching and mental health support. Children's Bureau helps families through the process of foster care or adoption and provide extra support for caregivers who have taken in a related child.

Children's Bureau takes pride in the way they partner with families and communities, who may have experienced trauma and often face racial injustice. Two current initiatives include Trauma Informed, Resilience-Oriented Care and Diversity, Equity, Inclusion and Belonging. These complementary approaches each position Children's Bureau to better understand families' challenges and build on their strengths.

While it's never too late to rebuild a family that has weathered storms like substance abuse, or family violence, it's easier and more effective to prevent serious problems from happening in the first place. Children's Bureau tackles the root causes of child abuse through our advocacy at the local, state, and national levels and elevate the voices of families themselves through community leadership programs.

Vision - Children thriving in strong families and communities.

Mission - Protecting vulnerable children through prevention, treatment and advocacy.

Children's Bureau receives substantial funding from county and state governmental agencies, with a portion of its funding originating from the federal government. Other foundation and corporate grants, as well as private donations, also make up a portion of the annual revenue and support.

Children's Bureau Foundation (the Foundation) was founded in 1987 for the specific and primary purpose of providing financial support exclusively to Children's Bureau.

CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA AND CHILDREN'S BUREAU FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Children's Bureau of Southern California and Children's Bureau Foundation (collectively, the Organization). The two legal entities share the same board of directors and are consolidated. All inter-organization balances and transactions have been eliminated upon consolidation.

(b) BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

(c) NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions. The Organization has \$21,678,036 of undesignated net assets without donor restrictions.

The Organization's Boards of Directors have designated, from net assets without donor restrictions, net assets for achieving their mission and strategic objectives of \$13,671,754 as of June 30, 2022 (See Note 9). These are comprised of designations of \$3,042,067 to reinvest in agency-owned facilities and \$10,629,687 for operating reserves and strategic initiatives.

- **Net Assets With Donor Restrictions.** Net assets subject to donor-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. (See Note 10). The Organization has elected to adopt a policy whereby donor-restricted grants and contributions that were initially conditional or restricted and whose conditions or restrictions are met in the same reporting period are recognized as revenue without donor restrictions.

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
AND CHILDREN'S BUREAU FOUNDATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short-term, highly liquid investments with original maturities of three months or less at the time of purchase. The carrying value of cash and cash equivalents at June 30, 2022 approximates its fair value.

(e) INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value.

Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in investment return in the consolidated statement of activities and represent current year changes in the difference between the cost and fair value of investments held at the end of the fiscal year.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Because of the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

(f) ACCOUNTS AND OTHER RECEIVABLES

Receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, if any, represents their estimated net realizable value. The allowance for doubtful accounts is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. At June 30, 2022, no allowance for doubtful accounts was considered necessary.

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
AND CHILDREN'S BUREAU FOUNDATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) CONCENTRATION OF CREDIT RISKS

The Organization maintains its cash and cash equivalents in bank deposit accounts and other investment accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on these accounts.

Approximately 86% of the Organization's revenue and support is provided by various government agencies. The Organization anticipates that it will continue to run these programs although there can be no assurance that the Organization will be able to obtain future grant agreements upon the expiration of the current term of the contracts. Included in the accounts and other receivables balance outstanding at June 30, 2022 is \$9,058,416 of government contracts receivable due from county, state, and federal granting agencies. The Organization believes that credit risk related to these receivables is limited due to the number of customers in differing governmental agencies, as well as the creditworthiness of the U.S. Government.

(h) CONTRIBUTIONS AND PLEDGES RECEIVABLE

The Organization recognizes grants and contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest are received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Nonreciprocal contributions subject to donor-imposed restrictions are recorded as restricted support and are reclassified as net assets without donor restrictions when the donor-imposed restriction has been fulfilled or the stipulated time period has elapsed. Contributions with restrictions that are met during the fiscal year in which they are received are recorded as support without donor restrictions. Conditional contributions or intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are met. There were no conditional contributions at June 30, 2022. Pledges receivable at June 30, 2022 are due in their entirety within one year. Pledges receivable that are scheduled to be received after the end of the reporting period are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when time or purpose restrictions are fulfilled. The Organization evaluated the collectability of pledges receivable at June 30, 2022 and determined that no allowance for doubtful pledges was needed.

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
AND CHILDREN'S BUREAU FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost at the date of acquisition if purchased or at estimated fair value at the date of donation if donated. Depreciation and amortization are computed using the straight-line basis over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Buildings and Improvements	33 - 40 Years
Furniture and Equipment	3 - 15 Years
Leasehold Improvements	Lease Term

Expenditures for repairs and maintenance are charged to expense as incurred while renewals and betterments are capitalized. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$5,000 and the useful life is greater than one year.

(j) LONG-LIVED ASSETS

The Organization evaluates the carrying values of their long-lived assets for possible impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized during the year ended June 30, 2022.

(k) PAYCHECK PROTECTION PROGRAM LOAN

Management elected to account for the forgivable loan received under the Paycheck Protection Program (PPP) provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act as a debt instrument and to accrue interest on the outstanding loan balance. Additional interest at a market rate (due to the stated interest rate of the PPP loan being below market) is not imputed, as transactions where interest rates are prescribed by governmental agencies are excluded from the scope of the accounting guidance on imputing interest. A portion of the loan was forgiven during the fiscal year ended June 30, 2021, and was recognized as income, less an amount recorded as a liability reserve due to potential disallowed costs on government contracts. For the portion of the loan that was not forgiven, the Organization repaid the loan to the lender in full during the year ended June 30, 2022. The liability reserve is \$2,376,897 at June 30, 2022. Refer to Note 6.

**CHILDREN’S BUREAU OF SOUTHERN CALIFORNIA
AND CHILDREN’S BUREAU FOUNDATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) CONTRIBUTED GOODS AND SERVICES

Contributions of donated non-cash assets are recorded at fair value in the period received and expensed when utilized. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, were provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions in-kind are valued based upon estimates of fair market value that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor.

For the year ended June 30, 2022, contributions in-kind were comprised of the following:

Natural Expense Category	Restrictions	Valuation	Activity	Amount
Awareness Campaign	None	Vendor Quote	Foster Care	\$ 850,693
Books and Supplies	None	Standard industry price	Mental Health	<u>6,972</u>
TOTAL CONTRIBUTIONS IN-KIND REVENUE				<u>\$ 857,665</u>

(m) GOVERNMENT GRANTS AND CONTRACTS AND DEFERRED REVENUE

The Organization recognizes government contracts and grants as either contributions or exchange transaction revenues, depending on whether the transaction is reciprocal or nonreciprocal. During the year ended June 30, 2022, all government contracts and grants are accounted for as contributions. The Organization’s revenue is derived from nonreciprocal cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures up to an amount not to exceed the total contract authorized. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue and at June 30, 2022, there was \$252,353 of deferred revenue recorded within the consolidated statement of financial position. Revenue based on units of service delivered contracts is recognized as units of service are delivered.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) SPECIAL EVENT REVENUE

The Organization holds special events throughout the year that require attendees to pay for tickets in advance. These revenues are recognized under Accounting Standards Update (ASU) No. 2018-08 *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. At June 30, 2022, no amounts related to special event revenue were included in deferred revenue.

(o) INCOME TAXES

The Organization is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic 740, *Uncertainty in Income Taxes*, the Organization recognizes the impact of tax positions in the consolidated financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended June 30, 2022, the Organization performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the consolidated financial statements or which might have an effect on their tax-exempt status.

(p) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Organization's programs and other activities have been presented in the consolidated statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and supporting services by a method that best measures the relative degree of benefit. The Organization uses direct service staff compensation and square footage to allocate indirect costs.

(q) USE OF ESTIMATES

The preparation of 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 reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) COMPARATIVE TOTALS

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2021 from which the summarized information was derived.

(s) NEW ACCOUNTING PRONOUNCEMENTS

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU is intended to improve transparency in the reporting of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Organization implemented the ASU during the year ended June 30, 2022 and the presentation and disclosures of contributions in-kind have been enhanced as a result.

In February 2016, FASB issued ASU No. 2016-02, *Leases*, which is intended to improve financial reporting about leasing transactions. The new standard will require organizations that lease assets with terms of more than 12 months to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases. The ASU also will require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements and provide additional information about the amounts recorded in the consolidated financial statements. For the Organization, the ASU will be effective for the year ending June 30, 2023.

(t) SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to the consolidated statement of financial position date of June 30, 2022 for items that should potentially be recognized or disclosed in these consolidated financial statements. No such events were noted that required disclosure. The evaluation was conducted through November 29, 2022, the date these consolidated financial statements were available to be issued.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 - INVESTMENTS

At June 30, 2022, investments consist of the following:

Money Market and Cash Equivalents	\$ 1,743,910
Mutual Funds:	
Income/Bond Funds	4,237,138
Alternative Strategy Funds	812,615
Corporate Stocks	10,064,475
Certificates of Deposit	<u>1,193,657</u>
TOTAL INVESTMENTS	<u>\$ 18,051,795</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

The Organization has implemented the accounting standard ASU No. 2018-13 *Fair Value Measurement (Topic 820)*, for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. This standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 4 - FAIR VALUE MEASUREMENTS (continued)

The following table presents information about the Organization's assets that are measured at fair value on a recurring basis at June 30, 2022 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market and Cash Equivalents	\$ 1,743,910	\$ 1,743,910	\$ -	\$ -
Mutual Funds:				
Income/Bond Funds	4,237,138	4,237,138	-	-
Alternative Strategy Funds	812,615	812,615	-	-
TOTAL MUTUAL FUNDS	6,793,663	6,793,663	-	-
Corporate Stocks	10,064,475	10,064,475	-	-
Certificates of Deposit	1,193,657	-	1,193,657	-
TOTAL INVESTMENTS	\$ 18,051,795	\$ 16,858,138	\$ 1,193,657	\$ -

The fair values of marketable securities within Level 1 inputs were obtained based on quoted market prices at the closing of the last business day of the fiscal year.

The fair value of the certificates of deposit within Level 2 have been determined by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2022:

Land	\$ 3,105,000
Buildings and Improvements	17,062,051
Construction in Progress	5,282,771
Furniture and Equipment	2,011,812
Leasehold Improvements	<u>794,659</u>
TOTAL	28,256,293
Less: Accumulated Depreciation	<u>(9,335,741)</u>
PROPERTY AND EQUIPMENT (NET)	<u>\$ 18,920,552</u>

Depreciation expense for the year ended June 30, 2022 was \$761,951. Estimated costs to complete the construction in progress is estimated to be \$6,700,000 and relates to the purchase, remodel and expansion of the new Palmdale property where various services will be delivered. The property is anticipated to be completed in June 2023 and expected to be further funded by foundation grants and the New Markets Tax Credits Program.

NOTE 6 - ACCRUED LIABILITIES

Accrued liabilities consist of the following at June 30, 2022:

Reserve for PPP Forgiveness Income (Note 2k and Note 13c)	\$ 2,376,897
Accrued Vacation	1,033,016
Accrued Payroll and Benefits	962,102
Government Contract Reserve (Note 13c)	584,500
Reserve for Unemployment Liability (Note 7)	375,000
Other Accrued Liabilities	280,503
Pension Liabilities	<u>236,713</u>
TOTAL ACCRUED LIABILITIES	<u>\$ 5,848,731</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 7 - RESERVE FOR UNEMPLOYMENT

The Organization has elected to be self-insured for the purposes of California State Unemployment Insurance. The reserve for unemployment liability at June 30, 2022 of \$375,000 (included in accrued liabilities) represents estimated future claims arising from current and past employees. Unemployment expense for the year ended June 30, 2022 was \$140,743.

	Gross Claims Liability	Estimated Insurance Recoveries	Net Claims Liability
Balance at July 1, 2021	\$ 375,000	\$ -	\$ 375,000
Self-Insurance Expenses Incurred	140,743	-	140,743
Payments Made to Fund Related Liabilities	(140,743)	-	(140,743)
<i>BALANCE AT JUNE 30, 2022</i>	<i>\$ 375,000</i>	<i>\$ -</i>	<i>\$ 375,000</i>

NOTE 8 - LINE OF CREDIT

The Organization has a revolving line of credit with Bank of America dated April 13, 2021, in the amount of \$8,000,000. The line of credit bears interest at LIBOR daily floating rate plus 1%. The line is collateralized with certain brokerage accounts. At June 30, 2022, \$2,085,000 was due on the line of credit.

The daily LIBOR rate was 1.57% at June 30, 2022.

NOTE 9 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of undesignated and Board designated amounts for the following purposes at June 30, 2022:

Undesignated	\$ 21,678,036
Board Designations for Facilities, Operating Reserves and Strategic Initiatives	13,671,754
<i>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</i>	<i>\$ 35,349,790</i>

Board Designations Without Donor Restrictions: These are comprised of net assets without donor restrictions of which the Boards of Directors have designated certain funds to reinvest in agency owned facilities, for operating reserves and for strategic initiatives.

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2022:

Subject to Expenditure for Specified Purpose:	
Magnolia Community Initiative	\$ 291,998
Palmdale Family Resource Center	2,000,000
Subject to Passage of Time:	
Time Restrictions	276,118
Subject to Endowment Spending Policy and Appropriation:	
Donor Restricted Endowment (Note 11)	1,627,879
Unspent Earnings on Endowment (Note 11)	<u>1,039,445</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u><u>\$ 5,235,440</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2022:

Satisfaction of Purpose Restrictions:	
Magnolia Community Initiative	\$ 207,257
Family Oasis Resource Center	60,911
Satisfaction of Passage of Time:	
Time Restrictions	<u>810,000</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u><u>\$ 1,078,168</u></u>

NOTE 11 - ENDOWMENTS

The Organization's endowments consist of funds established for a variety of purposes. Endowment funds are established by donor-restricted gifts and bequests to either provide a permanent endowment, which is to provide a permanent source of income to the Organization, or a term endowment, which is to provide income for a specified period to the Organization.

The Organization's management understands California State law as (1) requiring the preservation of the fair value of the original gifts as of the gift date of the donor restricted endowment funds, absent donor stipulations to the contrary and (2) allowing the spending of income and gains on permanently restricted endowments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 11 - ENDOWMENTS (continued)

As a result, endowments include the fair value of the original and subsequent gifts made to the endowment fund and any accumulations required by donor stipulation. Accumulated earnings as well as gains and losses related to endowment assets are classified as with donor restrictions until they are either appropriated by the Boards of Directors for use in current operations or in accordance with donor stipulations.

The investment objective of the endowment funds is to attain a total return that provides for preservation of principal and long-term growth in real terms. To achieve this investment objective, the endowment funds are invested in accordance with the investment policy of the Organization.

The Organization's Boards of Directors determine the utilization of the endowment funds each year with reference to specific donor instructions. This utilization is incorporated into the Organization's annual budget, which is approved by the Boards of Directors each year. In accordance with California law, the original corpus (historical cost) of each endowment gift cannot be utilized.

Endowment Net Asset Composition by Type of Fund at June 30, 2022	Without Donor Restrictions	With Donor Restrictions- Unspent Endowment Earnings	With Donor Restrictions- Permanent Endowment	Total
Donor-Restricted	\$ -	\$ 1,039,455	\$ 1,627,879	\$ 2,667,324
Changes in Endowment Net Assets for the Year Ended June 30, 2022				
Endowment Net Assets -				
Beginning of Year	\$ -	\$ 1,494,636	\$ 1,627,879	\$ 3,122,515
Contributions	-	-	-	-
Investment Return (Net)	-	(455,191)	-	(455,191)
Appropriation of Endowment Assets for Expenditure	-	-	-	-
ENDOWMENT NET ASSETS - END OF YEAR	\$ -	\$ 1,039,455	\$ 1,627,879	\$ 2,667,324

NOTE 12 - EMPLOYEE BENEFIT PLANS

The Organization sponsors a defined contribution 401(k) plan that covers all eligible employees. Effective December 1, 2014, the retirement plan initiated a matching opportunity. For each plan year, the Organization may make a discretionary matching contribution equal to a uniform percentage of an employee's salary deferrals. For the year ended June 30, 2022, the Organization matched 50 cents per dollar of employee contributions up to 4% of total compensation. The Organization's contributions to this plan for the year ended June 30, 2022 were \$936,127.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 13 - COMMITMENTS AND CONTINGENCIES

(a) OBLIGATIONS UNDER OPERATING LEASES

The Organization leases office space and equipment under operating leases with various terms. Future minimum payments, by year and in the aggregate, under these leases with initial or remaining terms of one year or more, consist of the following:

Years Ending June 30	
2023	\$ 743,319
2024	550,898
2025	<u>146,765</u>
TOTAL	<u>\$ 1,440,982</u>

Rent expense under operating leases for the year ended June 30, 2022 was \$952,289.

(b) LEGAL PROCEEDINGS

The Organization is subject to various legal proceedings in the normal course of business. In the opinion of management, based upon the information presently known, the ultimate liability, if any, arising from such pending legal proceedings, as well as from asserted legal claims and known potential legal claims which are likely to be asserted are not expected to be material individually or in the aggregate to the consolidated financial position, activities or cash flows of the Organization.

(c) CONTRACTS

The Organization's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated. The Organization has established a reserve of \$2,961,397 related to state and local government contracts that is included in accrued liabilities. Except as mentioned, the Organization has no other provisions on their consolidated financial statements for the possible disallowance of program costs related to any of their other governmental contracts and grants.

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Organization at June 30, 2022 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the consolidated statement of financial position are summarized in the following table:

Financial Assets at June 30, 2022:	
Cash and Cash Equivalents	\$ 1,643,258
Investments	18,051,795
Accounts Receivable (Net of Contract Reserves)	8,487,954
Pledges Receivable (Net)	<u>2,276,118</u>
TOTAL FINANCIAL ASSETS AT JUNE 30, 2022	30,459,125
Less Amounts Not Available to Be Used within One Year, Due to:	
Donor-Imposed Restrictions:	
Funds Held for Permanent Endowments	(1,627,879)
Unspent Endowment Earnings	(1,039,445)
Funds Held with Purpose Restrictions	(291,998)
Pledges Restricted by Purpose or Time	(2,276,118)
Board Designations:	
Amounts Set Aside to Reinvest in Agency Owned Facilities	(3,042,067)
Amounts Set Aside for Operating Reserves and Strategic Initiatives	<u>(10,629,687)</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 11,551,931</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (continued)

The Organization regularly monitors liquidity required to meet their operating needs and other contractual commitments, while also striving to maximize the investment of their available funds. The Organization is substantially supported by government grants and contracts, and contributions without donor restrictions. As part of the Organization's liquidity management, it has a policy to structure their financial assets to be available as their general expenditures, liabilities, and other obligations come due.

The Organization has various sources of liquidity at their disposal, including cash and cash equivalents, marketable debt and equity securities, and a line of credit.

The Organization's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 11, the endowment earnings will be appropriated by the Board of Directors for use in current operations or in accordance with donor stipulations.

The board designated reserve fund was established by the board for funds to be drawn on in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or setting financial liabilities. The Boards of Directors designate a portion of operating surplus, if any, from time to time, to this reserve fund. These funds may be spent at the discretion of the Boards of Directors.

In the event of an unanticipated liquidity need, the Organization also could draw upon \$5,915,000 of available funding under the line of credit (refer to Note 8).

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SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2022

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2022

Grantor/Passed Through Grantor/Program or Cluster Title	Passed Through Entity Identifying Number or Contract Number	Federal ALN Number	Governmental Revenue		Program Expenditures from Governmental Revenue	Amounts Paid to Subrecipients
			Federal	Non-Federal		
FEDERAL AWARDS						
U.S. Department of Health and Human Services:						
Passed through State of California Department of Social Services:						
Foster Care - Title IV-E	07-021-12	93.658	\$ 1,250,652	\$ 2,918,189	\$ 4,168,841	\$ -
Adoption Assistance		93.659	131,300	131,300	262,600	-
Passed through State of California Department of Social Services: Child Abuse Prevention and Treatment Act Strategies	STRCB/20-23	93.590	312,409	133,889	446,298	-
Passed through County of Orange Social Services Agency Promoting Safe and Stable Families:						
Families and Communities Together Program	FBP0520	93.556	298,217	-	298,217	-
Families and Communities Together Program	FBP0820	93.556	136,201	-	136,201	-
Families and Communities Together Program	FBP0620	93.556	343,354	-	343,354	-
Families and Communities Together Program	FBP0720	93.556	204,710	-	204,710	-
Families and Communities Together Program	FMK1020	93.556	132,494	-	132,494	-
			<u>1,114,976</u>	<u>-</u>	<u>1,114,976</u>	<u>-</u>
Passed through County of Los Angeles, Department of Children and Family Services:						
Adoption Promotions Supporting Services	2015-01-04 & 06	93.556	469,615	-	469,615	-
U.S. Department of Health and Human Services: COVID-19 Provider Relief Fund (a)		93.498	777,719	-	777,719	-
Passed through Children and Families Commission of Orange County:						
Targeted Case Management Services	MA-042-20012189	93.778	182,090	-	182,090	-
Passed through County of Los Angeles, Department of Children and Family Services:						
Prevention and Aftercare Services (Subcontract)		93.556	92,930	-	92,930	-
Prevention and Aftercare Services	21-03-06	93.556	1,586,441	-	1,586,441	479,809
			<u>1,679,371</u>	<u>-</u>	<u>1,679,371</u>	<u>479,809</u>
Total U.S. Department of Health and Human Services			5,918,132	3,183,378	9,101,510	479,809
U.S. Committee for Refugees and Immigrants: Office of Refugee Resettlement: Post Release Services for Unaccompanied Alien Children Program (a)	90ZU0064	93.676	1,662,358	-	1,662,358	-

See Independent Auditor's Report

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SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2022

Grantor/Passed Through Grantor/Program or Cluster Title	Passed Through Entity Identifying Number or Contract Number	Federal ALN Number	Governmental Revenue		Program Expenditures from Governmental Revenue	Amounts Paid to Subrecipients
			Federal	Non-Federal		
State of California Department of Education:						
State Preschool Program	CSPP-1172		\$ -	\$ 776,151	\$ 776,151	\$ -
Child and Adult Care Food Program	05208-CACFP-19-NP	10.558	40,060	-	40,060	-
Child Care and Development Block Grant		93.575	65,237	-	65,237	-
State of California Department of Public Health						
Passed through County of Los Angeles, Department of Public Health	PH-003173	93.994	573,883	-	573,883	-
Department of Public Health	PH-003345		-	532,147	532,147	-
Department of Public Health	PH-003675		-	448,122	448,122	-
Department of Public Health	PH-004032	93.569	17,584	8,149	25,733	-
U.S. Department of Housing and Urban Development:						
Passed through City of Huntington, Department of Economic Development:						
Community Development Block Grants/Entitlement Grants	B-08-MC-06-0506	14.218	80,000	-	80,000	-
Total U.S. Department of Housing and Urban Development			80,000	-	80,000	-
TOTAL FEDERAL AWARDS			8,357,254	4,947,947	13,305,201	479,809
(a) Audited as a Major Program						
NON-FEDERAL AWARDS						
County of Los Angeles, Department of Children and Family Services						
Community Child Abuse Council	78371		-	100,000	100,000	-
Relative Support Service	15-001-28		-	248,313	248,313	-
State of California Department of Social Services						
Project Roomkey	20-3121		-	2,376,251	2,376,251	-
Housing and Disability Advocacy Program	20-7025		-	112,025	112,025	-
CDSS Expansion	213124		-	186,638	186,638	-
State of California Department of Mental Health						
Passed through County of Los Angeles, Department of Mental Health	MH132159		-	20,617,925	20,617,925	-
OC CalOptima MHSA			-	1,293,296	1,293,296	-
Innovations 2 (PLN subcontract)			-	181,500	181,500	-

See Independent Auditor's Report

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SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2022

Grantor/Passed Through Grantor/Program or Cluster Title	Passed Through Entity Identifying Number or Contract Number	Federal ALN Number	Governmental Revenue		Program Expenditures from Governmental Revenue	Amounts Paid to Subrecipients
			Federal	Non-Federal		
State of California Department of Health Services Passed through County of Los Angeles, Department of Health Services			\$ -	\$ 104,612	\$ 104,612	-
State of California: Passed through Children and Families Commission of Orange County:						
Infants-Toddlers Home Visitation Program	FCI-BN4-12		-	848,751	848,751	-
Infants CalWorks Program	FCI-HVP-03		-	725,986	725,986	-
Targeted Case Management	FCI-BN4-12		-	35,679	35,679	-
			-	1,610,416	1,610,416	-
State of California: Passed through County of Los Angeles Proposition 10 Commission - First 5 LA:						
Regional Support Network	#10076		-	1,236,757	1,236,757	-
Select Home Visitation Program	#00831		-	250,569	250,569	-
Healthy Strategy 1 - HMG Initiative	#10250		-	182,062	182,062	-
			-	1,669,388	1,669,388	-
TOTAL NON-FEDERAL AWARDS			-	28,500,364	28,500,364	-
TOTAL FEDERAL AND NON-FEDERAL AWARDS			\$ 8,357,254	\$ 33,448,311	\$ 41,805,565	\$ 479,809

Notes to the Schedule of Expenditures of Federal and Non-Federal Awards for the Year Ended June 30, 2022

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and Non-Federal Awards (Schedule) includes the Federal award activity of the Organization under programs of the Federal government for the year ended June 30, 2022. 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 consolidated financial position, changes in net assets, or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

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

4. Sub-Recipients

The Organization has provided certain federal awards to subrecipients from the Federal expenditures presented in this Schedule.

See Independent Auditor's Report

CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
Department of Social Services Form 12FFA

TOTAL PROGRAM COST DISPLAY (FCR 12FFA)

SUBMIT ONE FOR EACH PROGRAM

Number of months in cost reporting period TWELVE

CORPORATE/LICENSEE NAME		PROGRAM NAME (IF DIFFERENT)		CORPORATE NUMBER		PROGRAM NUMBER		REPORTING PERIOD	
Children's Bureau of So. California		Specialized Foster Care		D-C01-957		0252.01.03		7/1/21 - 6/30/22	
LINE	(1) LINE ITEMS OF COST	(2)	(3)	(4)	(5)	(6)	(7)		
		TOTAL (COLS. 3 THRU 6)	ADMINISTRATION	RECRUITMENT	TRAINING	SOCIAL WORK	EXPLANATION		
100a	Executive Director Salary	\$ 44,954	\$ 44,954	\$ -	\$ -	\$ -	Portion of Agency's ED allocated to FFA program.		
100b	Assistant Director Salary	-	-	-	-	-	Portion of Agency's AD allocated to FFA program.		
100c	Administrator Salary	135,669	135,669	-	-	-	Portion of Program Director's time allocated to FFA.		
100d	All Other Administrative Salaries	822,143	822,143	-	-	-	Administrative salaries charged to FFA programs.		
101	Recruitment Payroll	68,199	-	68,199	-	-	Recruitment salaries for FFA programs.		
102	Training Payroll	55,257	-	-	55,257	-	Training salaries for FFA programs.		
110	Administrative Contracts	-	-	-	-	-	Allocated based on % of salaries in each category.		
121	Telephone and Telegraph	19,933	10,092	686	556	8,599	Allocated based on % of salaries in each category.		
122	Postage and Freight	5,005	2,534	172	140	2,159	Allocated based on % of salaries in each category.		
123	Office Supplies	1,313	665	45	37	566	Allocated based on % of salaries in each category.		
132	Conferences, Meetings, In-Service Training	1,495	757	51	42	645	Allocated based on % of salaries in each category.		
133	Memberships, Subscriptions, Dues	15,615	7,906	537	436	6,736	Allocated based on % of salaries in each category.		
134	Printing, Publications	1,451	735	50	40	626	Allocated based on % of salaries in each category.		
135	Bonding, General Insurance	44,108	22,332	1,517	1,231	19,028	Allocated based on % of salaries in each category.		
137	Advertising	64,248	-	64,248	-	-	-		
138	Miscellaneous	18,126	-	-	-	18,126	Allocated based on % of salaries in each category.		
		1,297,516	1,047,787	135,505	57,739	56,485			
200	Building and Equipment Payroll	-	-	-	-	-	Allocated based on % of salaries in each category.		
211	Building Rents and Leases	51,499	-	-	-	51,499	Allocated based on % of salaries in each category.		
214	Acquisition Mortgage Principal & Interest	-	-	-	-	-	-		
215	Property Appraisal Fees	-	-	-	-	-	-		
216	Property Taxes	316	160	11	9	136	Allocated based on % of salaries in each category.		
217	Building and Equipment Insurance	-	-	-	-	-	-		
221	Utilities	4,901	2,481	169	137	2,114	Allocated based on % of salaries in each category.		
222	Building Maintenance	8,675	4,392	298	242	3,743	Allocated based on % of salaries in each category.		
223	Building and Equipment Contracts	5,941	3,008	204	166	2,563	Allocated based on % of salaries in each category.		
224	Building and Equipment Supplies	440	223	15	12	190	Allocated based on % of salaries in each category.		
225	Equipment Leases	4,132	2,092	142	115	1,783	Allocated based on % of salaries in each category.		
226	Equipment Depreciation Expense	19,634	9,941	675	548	8,470	Allocated based on % of salaries in each category.		
227	Expendable Equipment	-	-	-	-	-	-		
228	Building and Equipment Miscellaneous	-	-	-	-	-	-		
241	Vehicle Leases	-	-	-	-	-	-		
242	Vehicle Depreciation	-	-	-	-	-	-		
243	Vehicle Operating Costs	30,363	30,363	-	-	-	Allocated based on % of salaries in each category.		
		125,901	52,660	1,514	1,229	70,498			
350	Total Paid to Certified Family Homes	1,908,938	-	-	-	1,908,938	100% social work.		
352	Other Child-Related Costs, Not Provided by Certified Family Homes	-	-	-	-	-	-		
		1,908,938	-	-	-	1,908,938			
410	Social Worker Payroll and/or Social Worker Contract	854,486	-	-	-	854,486	100% social work.		
440	Direct Care Contracts	44,986	-	-	-	44,986	100% social work.		
		899,472	-	-	-	899,472			
500	TOTAL EXPENSES	\$ 4,231,827	\$ 1,100,447	\$ 137,019	\$ 58,968	\$ 2,935,393			

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