

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

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

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

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Children's Bureau of Southern California and Children's Bureau Foundation (nonprofit organizations) (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2017, 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.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2017, 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.

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 31, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

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), the consolidating statements of financial position and activities 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2017 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 7, 2017
Los Angeles, California

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2017

With Summarized Totals at June 30, 2016

ASSETS	2017			Total	2016 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Cash and Cash Equivalents	\$ 1,111,103	\$ 877,901	\$ -	\$ 1,989,004	\$ 3,600,583
Investments	13,426,277	730,229	1,627,879	15,784,385	13,256,111
Accounts and Other Receivables	4,028,359	-	-	4,028,359	3,993,247
Pledges Receivable	592,361	1,310,055	-	1,902,416	1,035,182
Prepaid Expenses and Other Assets	250,624	-	-	250,624	265,977
Property and Equipment (Net)	15,731,982	-	-	15,731,982	16,031,852
TOTAL ASSETS	\$ 35,140,706	\$ 2,918,185	\$ 1,627,879	\$ 39,686,770	\$ 38,182,952
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts Payable	\$ 907,794	\$ -	\$ -	907,794	\$ 907,953
Accrued Liabilities	3,640,680	-	-	3,640,680	4,026,618
TOTAL LIABILITIES	4,548,474	-	-	4,548,474	4,934,571
NET ASSETS:					
Unrestricted:					
Undesignated	17,591,639	-	-	17,591,639	27,644,017
Board Designated	13,000,593	-	-	13,000,593	1,818,627
TOTAL UNRESTRICTED NET ASSETS	30,592,232	-	-	30,592,232	29,462,644
Temporarily Restricted	-	2,918,185	-	2,918,185	2,157,858
Permanently Restricted	-	-	1,627,879	1,627,879	1,627,879
TOTAL NET ASSETS	30,592,232	2,918,185	1,627,879	35,138,296	33,248,381
TOTAL LIABILITIES AND NET ASSETS	\$ 35,140,706	\$ 2,918,185	\$ 1,627,879	\$ 39,686,770	\$ 38,182,952

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, 2017

With Summarized Totals for the Year Ended June 30, 2016

	2017			Total	2016 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
REVENUE AND SUPPORT:					
Government Grants and Contracts	\$ 26,442,604	\$ -	\$ -	\$ 26,442,604	\$ 24,779,139
Contributions	1,105,256	2,527,416	-	3,632,672	3,186,840
Special Events (Net of Direct Donor Benefit Expenses of \$445,634)	1,078,670	-	-	1,078,670	1,143,801
Contributions In-Kind	1,357,184	-	-	1,357,184	1,596,065
Investment Income (Net)	1,032,704	245,530	-	1,278,234	721,871
Rental and Other Income	656,455	-	-	656,455	733,148
Net Assets Released from Purpose Restrictions	2,012,619	(2,012,619)	-	-	-
TOTAL REVENUE AND SUPPORT	33,685,492	760,327	-	34,445,819	32,160,864
EXPENSES:					
Program Services	27,053,345	-	-	27,053,345	26,498,486
Management and General	4,585,595	-	-	4,585,595	4,127,358
Fundraising	916,964	-	-	916,964	915,531
TOTAL EXPENSES	32,555,904	-	-	32,555,904	31,541,375
CHANGE IN NET ASSETS	1,129,588	760,327	-	1,889,915	619,489
Net Assets - Beginning of Year	29,462,644	2,157,858	1,627,879	33,248,381	32,628,892
NET ASSETS - END OF YEAR	\$ 30,592,232	\$ 2,918,185	\$ 1,627,879	\$ 35,138,296	\$ 33,248,381

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, 2017
With Summarized Totals for the Year Ended June 30, 2016

	2017								2016 Total
	Program Services				Supporting Services				
	Child Abuse Prevention Services	Mental Health	Specialized Foster Care and Adoption	Total Program Services	Management and General	Fundraising	Total Support Services	Total	
Salaries	\$ 5,462,626	\$ 5,956,233	\$ 1,616,557	\$ 13,035,416	\$ 2,218,370	\$ 636,162	\$ 2,854,532	\$ 15,889,948	\$ 15,203,315
Employee Benefits and Payroll Taxes	1,736,602	1,638,292	461,172	3,836,066	645,844	147,705	793,549	4,629,615	4,328,252
TOTAL PERSONNEL COST	7,199,228	7,594,525	2,077,729	16,871,482	2,864,214	783,867	3,648,081	20,519,563	19,531,567
Professional and Temporary Services	476,415	1,372,393	198,804	2,047,612	549,400	19,220	568,620	2,616,232	2,452,330
Direct Client Services	208,073	696	1,600,785	1,809,554	-	-	-	1,809,554	1,798,176
Subcontractors	1,134,351	198,630	-	1,332,981	-	-	-	1,332,981	1,771,899
Awareness Campaign	-	-	1,233,804	1,233,804	-	-	-	1,233,804	1,392,229
Occupancy	385,845	559,247	101,140	1,046,232	128,727	9,197	137,924	1,184,156	1,218,902
Recruitment and Training	169,934	78,999	197,648	446,581	136,720	3,954	140,674	587,255	376,071
Depreciation	240,473	69,144	29,523	339,140	210,131	15,741	225,872	565,012	602,620
Books and Supplies	333,103	91,223	20,830	445,156	35,285	7,835	43,120	488,276	431,879
Computers and Software	191,623	246,118	3,914	441,655	32,806	9,448	42,254	483,909	445,243
Travel	158,507	98,153	48,236	304,896	7,559	1,888	9,447	314,343	338,426
Communications	102,585	71,459	20,871	194,915	36,634	1,578	38,212	233,127	189,711
Insurance	-	3,163	33,949	37,112	195,391	-	195,391	232,503	223,775
Utilities	77,695	46,997	11,467	136,159	44,339	4,233	48,572	184,731	190,973
Miscellaneous	40,043	16,654	37,318	94,015	29,236	28,854	58,090	152,105	145,260
Promotion and Outreach	63,690	200	-	63,890	78,045	1,329	79,374	143,264	134,087
Equipment and Vehicle Expense	76,507	47,817	5,334	129,658	8,814	459	9,273	138,931	130,519
Printing and Postage	19,458	9,268	10,694	39,420	58,517	21,304	79,821	119,241	99,970
Bad Debt Expense	-	-	-	-	114,872	-	114,872	114,872	-
Dues and Subscriptions	17,277	20,613	1,193	39,083	54,905	8,057	62,962	102,045	67,738
TOTAL 2017 FUNCTIONAL EXPENSES	\$ 10,894,807	\$ 10,525,299	\$ 5,633,239	\$ 27,053,345	\$ 4,585,595	\$ 916,964	\$ 5,502,559	\$ 32,555,904	
				83%	14%	3%	17%	100%	
TOTAL 2016 FUNCTIONAL EXPENSES	\$ 12,757,861	\$ 9,502,413	\$ 4,238,212	\$ 26,498,486	\$ 4,127,358	\$ 915,531	\$ 5,042,889		\$ 31,541,375
				84%	13%	3%	16%		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, 2017**

With Summarized Totals for the Year Ended June 30, 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 1,889,915	\$ 619,489
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities:		
Depreciation	565,012	602,620
Realized and Unrealized Gains on Investments	(810,239)	(298,920)
Contributions Restricted for Investment in Perpetuity	-	(20,879)
(Increase) Decrease in:		
Accounts and Other Receivables	(35,112)	(1,023,406)
Pledges Receivable	(867,234)	(67,720)
Prepaid Expenses and Other Assets	15,353	(35,182)
Due from Affiliates	-	32,176
Increase (Decrease) in:		
Accounts Payable	(159)	228,334
Accrued Liabilities	(385,938)	(241,364)
	371,598	(204,852)
<i>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</i>		
	371,598	(204,852)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(265,142)	(91,079)
Purchase of Investments	(2,756,566)	(1,586,400)
Proceeds on Sale of Investments	1,038,531	593,219
	(1,983,177)	(1,084,260)
<i>NET CASH USED IN INVESTING ACTIVITIES</i>		
	(1,983,177)	(1,084,260)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions Restricted for Investment in Perpetuity	-	20,879
	-	20,879
<i>NET CASH PROVIDED BY FINANCING ACTIVITIES</i>		
	-	20,879
<i>NET DECREASE IN CASH AND CASH EQUIVALENTS</i>	(1,611,579)	(1,268,233)
Cash and Cash Equivalents - Beginning of Year	3,600,583	4,868,816
	3,600,583	4,868,816
<i>CASH AND CASH EQUIVALENTS - END OF YEAR</i>	\$ 1,989,004	\$ 3,600,583

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, 2017**

NOTE 1 - NATURE OF ORGANIZATION

Since 1904, Children's Bureau of Southern California (Children's Bureau) (www.all4kids.org) has been a nonprofit leader in the prevention and treatment of child abuse and neglect. The agency is unique in that it focuses on three key areas for creating impact: strengthening families and communities, building peer capacity and transforming systems and communities. More than 30,000 children and families are helped each year throughout Southern California with services that include school readiness, parenting classes, family resource centers, support groups, mental health counseling, foster care, foster-adoption and more. Children's Bureau is one of the largest investors in child abuse prevention in the country and is developing a national model to transform an entire at-risk community through its Magnolia Community Initiative.

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 annual revenue and support.

The 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.

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). All inter-organization balances and transactions have been eliminated on consolidation.

(b) BASIS OF PRESENTATION

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

(c) ACCOUNTING

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the Organization are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

- **Unrestricted Undesignated.** These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving income from investments less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) ACCOUNTING (continued)

- **Unrestricted Board Designated.** These are comprised of unrestricted net assets of which the Board of Directors has designated \$2,913,739 to reinvest in agency owned facilities, and \$10,086,854 for operating reserves and strategic initiatives. At June 30, 2017, the Organization has unrestricted board designated net assets of \$13,000,593.
- **Temporarily Restricted.** The Organization reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from purpose or time restrictions. At June 30, 2017, the Organization has temporarily restricted net assets of \$2,918,185.
- **Permanently Restricted.** These net assets are received from donors who stipulate that resources are to be maintained permanently, but permit the Organization to expend all of the income (or other economic benefits) derived from the donated assets. At June 30, 2017, the Organization has permanently restricted net assets of \$1,627,879.

(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, 2017 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. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Interest and dividend income is recorded when earned. Gains or losses (including investments bought, sold, and held during the year), and interest and dividend income are reflected in the consolidated statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily restricted by donor stipulations or by law.

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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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, 2017, the majority of receivables are due from governmental agencies and no allowance for doubtful accounts was considered necessary, except as described in Note 12(c).

(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 77% 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, 2017 is \$4,010,213 of government contracts receivable due from county, state, and federal granting agencies. Concentration of credit risk with respect to these receivables is limited, as the majority of the Organization's receivables consist of earned revenue from contract programs granted by government agencies.

(h) CONTRIBUTIONS AND PLEDGES RECEIVABLE

Unconditional contributions, including pledges recorded at fair value, are recognized as revenues when the pledge is received. The Organization reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Conditional promises to give are not included as support until such time as the conditions are substantially met. Pledges receivable at June 30, 2017 are due in their entirety within one year. The Organization evaluated the collectability of pledges receivable at June 30, 2017 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, 2017**

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 its 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, 2017.

(k) CONTRIBUTED GOODS AND SERVICES

Contributions of donated non-cash assets are recorded at fair value in the period received. 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. Contributed goods and services were valued at \$1,357,184 for the year ended June 30, 2017, which consists of \$1,293,779 for the Organization's awareness campaign and \$63,405 for pro-bono legal services.

(l) INCOME TAXES

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

(m) 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) 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.

(o) 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, 2016 from which the summarized information was derived.

(p) NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which establishes a comprehensive revenue recognition standard for virtually all industries following U.S. GAAP, including those that previously followed industry-specific guidance. For non-public entities, the new standard was originally effective for annual periods beginning after December 15, 2017. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606) - Deferral of Effective Date*, which deferred the effective date for one year. Accordingly, this ASU will be effective for the Organization for the year ending June 30, 2019. The Organization is currently evaluating the effect the provisions of ASU 2014-09 will have on its consolidated financial statements.

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 providing additional information about the amounts recorded in the financial statements. For the Organization, the ASU will be effective for the year ending June 30, 2021.

In August 2016, FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which is intended to reduce complexity in financial reporting. The ASU focuses on improving the current net asset classification requirements and information presented in financial statements that is useful in assessing a nonprofit's liquidity, financial performance, and cash flows. For the Organization, the ASU will be effective for the year ending June 30, 2019.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2017 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through November 7, 2017, the date these consolidated financial statements were available to be issued.

NOTE 3 - INVESTMENTS

At June 30, 2017, investments consist of the following:

Money Market and Cash Equivalents	\$ 2,061,478
Mutual Funds:	
Income / Bond Funds	100,718
Emerging Markets Index Funds	183,311
Other Index Funds	2,414,310
Corporate Stocks	6,141,901
Corporate and Municipal Bonds	4,239,061
Certificates of Deposit	643,606
	643,606
<i>TOTAL INVESTMENTS</i>	\$ 15,784,385

Net investment income for the year ended June 30, 2017 consists of the following:

Interest and Dividends	\$ 467,995
Net Realized and Unrealized Gains	810,239
	810,239
<i>INVESTMENT INCOME (NET)</i>	\$ 1,278,234

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017**

NOTE 4 - FAIR VALUE MEASUREMENTS

The Organization has implemented the accounting standard 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).

The following table presents information about the Organization's assets that are measured at fair value on a recurring basis at June 30, 2017 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2017	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	\$ 2,061,478	\$ 2,061,478	\$ -	\$ -
Mutual Funds:				
Income / Bond Funds	100,718	100,718	-	-
Emerging Markets Index Funds	183,311	183,311	-	-
Other Index Funds	2,414,310	2,414,310	-	-
TOTAL MUTUAL FUNDS	2,698,339	2,698,339	-	-
Corporate Stocks	6,141,901	6,141,901	-	-
Corporate and Municipal Bonds	4,239,061	-	4,239,061	-
Certificates of Deposit	643,606	-	643,606	-
TOTAL INVESTMENTS	\$ 15,784,385	\$ 10,901,718	\$ 4,882,667	\$ -

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 corporate and municipal bonds and certificates of deposit within Level 2 have been valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The Organization recognizes transfers at the beginning of each reporting period. Transfers between Level 1 and Level 2 investments generally relate to whether a market becomes active or inactive. Transfers between Level 2 and Level 3 investments relate to whether significant relevant observable inputs are available for the fair value measurement in their entirety and when redemption rules become more or less restrictive. There were no transfers between levels during the year ended June 30, 2017.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2017:

Land	\$	3,176,936
Buildings and Improvements		16,965,220
Furniture and Equipment		1,502,364
Leasehold Improvements		949,696
		22,594,216
TOTAL		22,594,216
Less: Accumulated Depreciation		(6,862,234)
		(6,862,234)
PROPERTY AND EQUIPMENT (NET)	\$	15,731,982

Depreciation expense for the year ended June 30, 2017 was \$565,012.

NOTE 6 - ACCRUED LIABILITIES

Accrued liabilities consist of the following at June 30, 2017:

Department of Mental Health Contract Reserve [Note 12(c)]	\$	1,190,204
Accrued Payroll and Benefits		966,116
Accrued Vacation		769,322
Reserve for Unemployment Liability (Note 7)		206,334
Pension Liabilities		161,910
Wraparound Contract Reserve [Note 12(c)]		132,547
Targeted Case Management Reserve [Note 12(c)]		102,378
Other Accrued Liabilities		111,869
		111,869
TOTAL ACCRUED LIABILITIES	\$	3,640,680

NOTE 7 - SELF-INSURANCE

The Organization has elected to be self-insured for the purposes of California State Unemployment Insurance. The reserve for unemployment liability at June 30, 2017 of \$206,334 (included in accrued liabilities) represents estimated future claims arising from current and past employees. Unemployment expense for the year ended June 30, 2017 was \$115,968.

	Gross Claims Liability		Estimated Insurance Recoveries	Net Claims Liability
Balance at July 1, 2016	\$ 253,984	\$	-	\$ 253,984
Self-Insurance Expenses Incurred	115,968		-	115,968
Payments Made to Fund Related Liabilities	(163,618)		-	(163,618)
	(163,618)			(163,618)
BALANCE AT JUNE 30, 2017	\$ 206,334	\$	-	\$ 206,334

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017**

NOTE 8 - LINE OF CREDIT

The Organization has a revolving line of credit with Bank of America due December 31, 2018 in the amount of \$4,500,000. The line of credit bears interest at ICE LIBOR daily floating rate plus 2.25 percentage points. The line is collateralized with certain brokerage accounts. At June 30, 2017, no balance was due on the line of credit.

The daily LIBOR rate was 1.16% at June 30, 2017.

NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2017 are restricted to the following:

Magnolia Community Initiative	\$ 1,787,956
Donor Restricted Endowment Funds (Note 10)	730,229
Time Restrictions	<u>400,000</u>
<i>TOTAL TEMPORARILY RESTRICTED NET ASSETS</i>	<u>\$ 2,918,185</u>

NOTE 10 - PERMANENTLY RESTRICTED NET ASSETS AND 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.

As a result, permanently restricted net assets 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 temporarily restricted until they are either appropriated by the Board 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017**

NOTE 10 - PERMANENTLY RESTRICTED NET ASSETS AND ENDOWMENTS (continued)

The Organization's Board of Directors determines 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 Board 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, 2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted	\$ -	\$ 730,229	\$ 1,627,879	\$ 2,358,108
Changes in Endowment Net Assets for the Year Ended June 30, 2017				
Endowment Net Assets -				
Beginning of Year	\$ -	\$ 748,229	\$ 1,627,879	\$ 2,376,108
Contributions	-	-	-	-
Investment Income	-	245,530	-	245,530
Appropriation of Endowment Assets for Expenditure	-	(263,530)	-	(263,530)
<i>ENDOWMENT NET ASSETS - END OF YEAR</i>	\$ -	\$ 730,229	\$ 1,627,879	\$ 2,358,108

NOTE 11 - 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. The Organization's contributions to this plan for the year ended June 30, 2017 were \$665,095.

The Organization has an ineligible deferred compensation plan under Section 457(f) for its President and Chief Executive Officer (CEO). For each calendar year during the term, beginning August 25, 2008 and ending December 31, 2016, the Organization shall make a contribution to the account associated with this plan, equal to the difference between (i) the employer's contribution, if any, made on the CEO's behalf under the sponsored retirement plan; and (ii) twenty percent (20%) of the CEO's compensation, as defined. The CEO may also elect to make salary and bonus deferrals under this plan. The Organization maintains the account related to this plan on its books, on behalf of the employee. The CEO's interest in his account shall become fully vested and nonforfeitable on the applicable vesting dates as set forth in the plan agreement. The balance of the CEO's account shall be forfeited in its entirety if the CEO separates from service with the Organization prior to the applicable vesting dates as set forth in the plan agreement. During the year ended June 30, 2017, the CEO was paid the entire balance of his deferred compensation plan, as such, there was no balance owed at June 30, 2017.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017**

NOTE 12 - 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	
2018	\$ 495,971
2019	381,091
2020	358,829
2021	364,231
2022	<u>122,120</u>
<i>TOTAL</i>	<u><u>\$ 1,722,242</u></u>

Rent expense under operating lease for the year ended June 30, 2017 was \$737,065.

(b) LEGAL PROCEEDINGS

In the ordinary course of conducting its business, the Organization becomes involved in various lawsuits. Some of these proceedings may result in judgments being assessed against the Organization which, from time to time, may have an impact on changes in net assets. The Organization does not believe that these proceedings, individually or in the aggregate, would have a material effect on the accompanying consolidated financial statements.

(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 \$1,190,204 for the possible disallowance of previously funded units of service under its contract with the Los Angeles County Department of Mental Health. The reserve is related to mental health contract years which have not yet been settled by the State of California. In addition, the Organization maintains a reserve of \$132,547 related to previously funded costs for its Wraparound programs, and a reserve of \$102,378 for Targeted Case Management related activities. Except as mentioned, the Organization has no other provisions on its consolidated financial statements for the possible disallowance of program costs related to any of its other governmental contracts and grants.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017

NOTE 13 - RELATED PARTY TRANSACTIONS

The Organization's Board of Directors has a conflict of interest policy in place that is intended to assure its stakeholders that the decisions of the Organization are made objectively and with full knowledge of the involvement, if any, of the Board members and staff. At times during the course of the year, the Organization may determine that doing business with a Board member is in the best interest of the Organization. In accordance with the by-laws, such transactions are reviewed and approved by the Board of Directors.

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

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2017

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

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS

Year Ended June 30, 2017

Grantor/Passed Through Grantor/Program or Cluster Title	Passed Through Entity Identifying Number or Contract Number	Federal CFDA Number	Governmental Revenue		Program Expenditures from Governmental Revenue
			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 (a)	07-021-13	93.658	\$ 1,092,512	\$ 2,321,591	\$ 3,414,103
Adoption Assistance		93.659	555,000	555,000	1,110,000
Passed through County of Los Angeles, Department of Children and Family Services:					
Wraparound Approach Services (a)	04-011-08	93.658	260,721	414,198	674,919
Passed through Children and Families Commission of Orange County:					
Targeted Case Management	FCI-BN2-12	93.778	138,681	-	138,681
Passed through State of California Department of Social Services:					
Child Abuse Prevention and Treatment Act Strategies	STRCB/16-19	93.590	709,170	100,570	809,740
Passed through County of Orange Social Services Agency Promoting Safe and Stable Families:					
Families and Communities Together Program	FCE0314	93.556	295,060	-	295,060
Families and Communities Together Program	FKV1315	93.556	215,496	-	215,496
Families and Communities Together Program	FCE1215	93.556	532,309	-	532,309
Families and Communities Together Program	FCE0115	93.556	295,330	-	295,330
Families and Communities Together Program	FKV0215	93.556	61,523	-	61,523
Families and Communities Together Program	FKV0415	93.556	54,573	-	54,573
Families and Communities Together Program	FCE0615	93.556	288,712	-	288,712
			1,743,003	-	1,743,003
Passed through County of Los Angeles, Department of Children and Family Services:					
Adoption Promotions Supporting Services	2015-01-04	93.556	176,497	-	176,497
The Office of Family Assistance, New Pathways for Fathers and Families 'Dads Matter' Program					
	90FK0110-01-00	93.086	687,977	-	687,977
Passed through County of Los Angeles, Department of Children and Family Services:					
Prevention and Aftercare Services (Subcontract)		93.556	36,869	-	36,869
Prevention and Aftercare Services (Subcontract)		93.556	97,196	-	97,196
Prevention and Aftercare Services	2015-01-09	93.556	548,240	-	548,240
			682,305	-	682,305
U.S. Committee for Refugees and Immigrants					
Office of Refugee Resettlement: Post Release Services for Unaccompanied Alien Children Program (a)					
	90ZU0064	93.676	302,410	-	302,410
Total U.S. Department of Health and Human Services			6,348,276	3,391,359	9,739,635

See Independent Auditor's Report

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

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS

Year Ended June 30, 2017

Grantor/Passed Through Grantor/Program or Cluster Title	Passed Through Entity Identifying Number or Contract Number	Federal CFDA Number	Governmental Revenue		Program Expenditures from Governmental Revenue
			Federal	Non-Federal	
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	41,913	-	41,913
Total U.S. Department of Housing and Urban Development			41,913	-	41,913
TOTAL FEDERAL AWARDS			6,390,189	3,391,359	9,781,548
(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		-	70,574	70,574
Partnership for Families (Subcontract)			-	39,495	39,495
State of California Department of Education:					
State Preschool Program	CSPP-6154		-	544,668	544,668
Child and Adult Care Food Program	05208-CACFP-19-NP		-	36,718	36,718
Magnolia School District					
	SS12-02		-	116,821	116,821
State of California Department of Mental Health					
Passed through County of Los Angeles,					
Department of Mental Health	MH121253		-	12,759,352	12,759,352
Department of Mental Health	MH100668		-	4,377	4,377
State of California Department of Public Health					
Passed through County of Los Angeles,					
Department of Public Health	PH-002654		-	77,372	77,372
Department of Public Health	PH-003242		-	122,385	122,385
Department of Public Health	PH-003173		-	448,964	448,964
State of California:					
Passed through Children and Families Commission of Orange County:					
Infants Home Visitation Program	FCI-BN2-12		-	700,000	700,000
Toddlers Home Visitation Program	FCI-BN2-12		-	170,000	170,000
Network Anaheim ACT	FCI-AP-01		-	85,000	85,000
			-	955,000	955,000
State of California:					
Passed through County of Los Angeles Proposition 10 Commission - First 5 LA:					
Partnership for Families	#00683		-	507,316	507,316
Select Home Visitation Program	#00831		-	469,455	469,455
Welcome Baby Program (Subcontract)			-	405,369	405,369
Best Start Program (Subcontract)			-	3,190	3,190
			-	1,385,330	1,385,330
TOTAL NON-FEDERAL AWARDS			-	16,661,056	16,661,056
TOTAL FEDERAL AND NON-FEDERAL AWARDS			\$ 6,390,189	\$ 20,052,415	\$26,442,604

See Independent Auditor's Report

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

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS

Year Ended June 30, 2017

Passed Through Entity Identifying Number or Contract Number	Federal CFDA Number	Governmental Revenue		Program Expenditures from Governmental Revenue
		Federal	Non-Federal	

Grantor/Passed Through Grantor/Program or Cluster Title

Notes to the Schedule of Expenditures of Federal and Non-Federal Awards for the Year Ended June 30, 2017

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, 2017. 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, as applicable, either the cost principles in Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

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

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2017**

ASSETS	Children's Bureau of Southern California	Children's Bureau Foundation	Intercompany Eliminations	Total
Cash and Cash Equivalents	\$ 1,986,954	\$ 2,050	\$ -	\$ 1,989,004
Investments	15,784,385	-	-	15,784,385
Accounts and Other Receivables	4,028,359	-	-	4,028,359
Pledges Receivable	1,902,416	-	-	1,902,416
Prepaid Expenses and Other Assets	250,624	-	-	250,624
Property and Equipment (Net)	15,731,982	-	-	15,731,982
TOTAL ASSETS	\$ 39,684,720	\$ 2,050	\$ -	\$ 39,686,770
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable	\$ 907,794	\$ -	\$ -	\$ 907,794
Accrued Liabilities	3,640,680	-	-	3,640,680
TOTAL LIABILITIES	4,548,474	-	-	4,548,474
NET ASSETS:				
Unrestricted:				
Undesignated	17,589,589	2,050	-	17,591,639
Board Designated	13,000,593	-	-	13,000,593
TOTAL UNRESTRICTED NET ASSETS	30,590,182	2,050	-	30,592,232
Temporarily Restricted	2,918,185	-	-	2,918,185
Permanently Restricted	1,627,879	-	-	1,627,879
TOTAL NET ASSETS	35,136,246	2,050	-	35,138,296
TOTAL LIABILITIES AND NET ASSETS	\$ 39,684,720	\$ 2,050	\$ -	\$ 39,686,770

See Independent Auditor's Report

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

**CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2017**

	Children's Bureau of Southern California	Children's Bureau Foundation	Intercompany Eliminations	Total
REVENUE AND SUPPORT:				
Government Grants and Contracts	\$ 26,442,604	\$ -	\$ -	\$ 26,442,604
Contributions	3,861,822	-	(229,150)	3,632,672
Special Events (Net of Direct Donor Benefit Expenses of \$445,634)	1,078,670	-	-	1,078,670
Contributions In-Kind	1,357,184	-	-	1,357,184
Investment Income (Net)	1,278,234	-	-	1,278,234
Rental and Other Income	656,455	-	-	656,455
TOTAL REVENUE AND SUPPORT	34,674,969	-	(229,150)	34,445,819
EXPENSES:				
Program Services	27,053,345	229,150	(229,150)	27,053,345
Management and General	4,581,214	4,381	-	4,585,595
Fundraising	916,964	-	-	916,964
TOTAL EXPENSES	32,551,523	233,531	(229,150)	32,555,904
CHANGE IN NET ASSETS	2,123,446	(233,531)	-	1,889,915
Net Assets - Beginning of Year	33,012,800	235,581	-	33,248,381
NET ASSETS - END OF YEAR	\$ 35,136,246	\$ 2,050	\$ -	\$ 35,138,296

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		7/1/16 - 6/30/17
LINE	(1) LINE ITEMS OF COST	(2) TOTAL (COLS. 3 THRU 6)	(3) ADMINISTRATION	(4) RECRUITMENT	(5) TRAINING	(6) SOCIAL WORK	(7) EXPLANATION	
100a	Executive Director Salary	\$36,371	\$36,371	\$ -	\$ -	\$ -	Portion of Agency's ED allocated to FFA program.	
100b	Assistant Director Salary	20,549	20,549	-	-	-	Portion of Agency's AD allocated to FFA program.	
100c	Administrator Salary	73,892	73,892	-	-	-	Portion of Program Director's time allocated to FFA.	
100d	All Other Administrative Salaries	316,947	316,947	-	-	-	Administrative salaries charged to FFA programs.	
101	Recruitment Payroll	40,868	-	40,868	-	-	Recruitment salaries for FFA programs.	
102	Training Payroll	39,722	-	-	39,722	-	Training salaries for FFA programs.	
110	Administrative Contracts	6,641	6,641	-	-	-	Allocated based on % of salaries in each category.	
121	Telephone and Telegraph	14,762	2,805	-	-	11,957	Allocated based on % of salaries in each category.	
122	Postage and Freight	5,123	313	-	-	4,810	Allocated based on % of salaries in each category.	
123	Office Supplies	6,705	1,950	-	-	4,755	Allocated based on % of salaries in each category.	
132	Conferences, Meetings, In-Service Training	21,331	7,324	-	-	14,007	Allocated based on % of salaries in each category.	
133	Memberships, Subscriptions, Dues	4,459	4,383	-	-	76	Allocated based on % of salaries in each category.	
134	Printing, Publications	1,308	457	-	-	851	Allocated based on % of salaries in each category.	
135	Bonding, General Insurance	51,570	17,585	-	-	33,985		
137	Advertising	162,914	-	162,914	-	-		
138	Miscellaneous	31,187	-	-	-	31,187	Allocated based on % of salaries in each category.	
		834,349	489,217	203,782	39,722	101,628		
200	Building and Equipment Payroll	10,199	10,199	-	-	-	Allocated based on % of salaries in each category.	
211	Building Rents and Leases	70,602	-	-	-	70,602	Allocated based on % of salaries in each category.	
214	Acquisition Mortgage Principal & Interest	-	-	-	-	-		
215	Property Appraisal Fees	-	-	-	-	-		
216	Property Taxes	1,452	376	-	-	1,076	Allocated based on % of salaries in each category.	
217	Building and Equipment Insurance	-	-	-	-	-		
221	Utilities	5,697	296	-	-	5,401	Allocated based on % of salaries in each category.	
222	Building Maintenance	16,182	2,042	-	-	14,140	Allocated based on % of salaries in each category.	
223	Building and Equipment Contracts	1,598	291	-	-	1,307	Allocated based on % of salaries in each category.	
224	Building and Equipment Supplies	4,531	3,309	-	-	1,222	Allocated based on % of salaries in each category.	
225	Equipment Leases	1,869	239	-	-	1,630	Allocated based on % of salaries in each category.	
226	Equipment Depreciation Expense	20,238	5,060	-	-	15,178	Allocated based on % of salaries in each category.	
227	Expendable Equipment	-	-	-	-	-		
228	Building and Equipment Miscellaneous	-	-	-	-	-	Allocated based on % of salaries in each category.	
241	Vehicle Leases	-	-	-	-	-		
242	Vehicle Depreciation	-	-	-	-	-		
243	Vehicle Operating Costs	31,644	652	-	-	30,992	Allocated based on % of salaries in each category.	
		164,012	22,464	-	-	141,548		
350	Total Paid to Certified Family Homes	1,581,493	-	-	-	1,581,493	100% social work.	
352	Other Child-Related Costs, Not Provided by Certified Family Homes	-	-	-	-	-		
		1,581,493	-	-	-	1,581,493		
410	Social Worker Payroll and/or Social Worker Contract	744,874	-	-	-	744,874	Allocated based on % of salaries in each category.	
440	Direct Care Contracts	65,052	-	-	-	65,052		
		809,926	-	-	-	809,926		
500	TOTAL EXPENSES	\$3,389,780	\$511,681	\$203,782	\$39,722	\$2,634,595		

See Independent Auditor's Report