

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

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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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, 2018, 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, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 2017 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 7, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, 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) 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 December 6, 2018 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*

December 6, 2018  
Los Angeles, California

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

June 30, 2018

With Summarized Totals at June 30, 2017

<b>ASSETS</b>	2018				2017 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
Cash and Cash Equivalents	\$ 2,814,545	\$ 950,971	\$ -	\$ 3,765,516	\$ 1,989,004
Investments	13,894,607	863,273	1,627,879	16,385,759	15,784,385
Accounts and Other Receivables	3,711,835	-	-	3,711,835	4,028,359
Pledges Receivable	557,910	784,750	-	1,342,660	1,902,416
Prepaid Expenses and Other Assets	366,056	-	-	366,056	250,624
Property and Equipment (Net)	15,251,784	-	-	15,251,784	15,731,982
<b>TOTAL ASSETS</b>	<b>\$ 36,596,737</b>	<b>\$ 2,598,994</b>	<b>\$ 1,627,879</b>	<b>\$ 40,823,610</b>	<b>\$ 39,686,770</b>
 <b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES:</b>					
Accounts Payable	\$ 1,633,890	\$ -	\$ -	1,633,890	\$ 907,794
Accrued Liabilities	3,326,583	-	-	3,326,583	3,640,680
<b>TOTAL LIABILITIES</b>	4,960,473	-	-	4,960,473	4,548,474
<b>NET ASSETS:</b>					
<b>Unrestricted:</b>					
Undesignated	18,967,357	-	-	18,967,357	17,591,639
Board Designated	12,668,907	-	-	12,668,907	13,000,593
<b>TOTAL UNRESTRICTED NET ASSETS</b>	31,636,264	-	-	31,636,264	30,592,232
Temporarily Restricted	-	2,598,994	-	2,598,994	2,918,185
Permanently Restricted	-	-	1,627,879	1,627,879	1,627,879
<b>TOTAL NET ASSETS</b>	31,636,264	2,598,994	1,627,879	35,863,137	35,138,296
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 36,596,737</b>	<b>\$ 2,598,994</b>	<b>\$ 1,627,879</b>	<b>\$ 40,823,610</b>	<b>\$ 39,686,770</b>

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, 2018

With Summarized Totals for the Year Ended June 30, 2017

	2018			Total	2017 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>REVENUE AND SUPPORT:</b>					
Government Grants and Contracts	\$ 28,375,043	\$ -	\$ -	\$ 28,375,043	\$ 26,442,604
Contributions	1,209,307	1,359,000	-	2,568,307	3,632,672
Special Events (Net of Direct Donor Benefit Expenses of \$536,641)	1,259,789	-	-	1,259,789	1,078,670
Contributions In-Kind	1,994,949	-	-	1,994,949	1,357,184
Investment Income (Net)	713,330	133,044	-	846,374	1,278,234
Gain on Sale of Property	1,050,767	-	-	1,050,767	-
Rental and Other Income	634,131	-	-	634,131	656,455
Net Assets Released from Purpose Restrictions	1,811,235	(1,811,235)	-	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>37,048,551</b>	<b>(319,191)</b>	<b>-</b>	<b>36,729,360</b>	<b>34,445,819</b>
<b>EXPENSES:</b>					
Program Services	29,946,794	-	-	29,946,794	27,053,345
Management and General	5,088,026	-	-	5,088,026	4,585,595
Fundraising	969,699	-	-	969,699	916,964
<b>TOTAL EXPENSES</b>	<b>36,004,519</b>	<b>-</b>	<b>-</b>	<b>36,004,519</b>	<b>32,555,904</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,044,032</b>	<b>(319,191)</b>	<b>-</b>	<b>724,841</b>	<b>1,889,915</b>
Net Assets - Beginning of Year	30,592,232	2,918,185	1,627,879	35,138,296	33,248,381
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 31,636,264</b>	<b>\$ 2,598,994</b>	<b>\$ 1,627,879</b>	<b>\$ 35,863,137</b>	<b>\$ 35,138,296</b>

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, 2018  
With Summarized Totals for the Year Ended June 30, 2017

	2018								2017 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	\$ 5,855,080	\$ 6,846,264	\$ 1,852,983	\$ 14,554,327	\$ 2,554,050	\$ 669,138	\$ 3,223,188	\$ 17,777,515	\$ 15,889,948
Employee Benefits and Payroll Taxes	1,778,124	1,860,787	541,703	4,180,614	711,260	165,512	876,772	5,057,386	4,629,615
<b>TOTAL PERSONNEL COST</b>	7,633,204	8,707,051	2,394,686	18,734,941	3,265,310	834,650	4,099,960	22,834,901	20,519,563
Professional and Temporary Services	623,791	1,402,738	245,886	2,272,415	515,829	-	515,829	2,788,244	2,616,232
Direct Client Services	154,419	1,123	1,659,039	1,814,581	-	-	-	1,814,581	1,809,554
Subcontractors	1,121,227	-	51,564	1,172,791	-	-	-	1,172,791	1,332,981
Awareness Campaign	-	-	1,706,110	1,706,110	-	-	-	1,706,110	1,233,804
Occupancy	414,807	680,505	124,591	1,219,903	142,854	10,371	153,225	1,373,128	1,184,156
Depreciation	309,706	63,712	41,731	415,149	153,559	20,349	173,908	589,057	565,012
Computers and Software	144,824	276,471	4,596	425,891	112,693	14,969	127,662	553,553	483,909
Recruitment and Training	187,076	120,041	69,544	376,661	153,551	3,086	156,637	533,298	587,255
Books and Supplies	390,905	88,256	13,872	493,033	35,661	4,388	40,049	533,082	488,276
Travel	188,877	135,360	47,541	371,778	6,210	2,070	8,280	380,058	314,343
Communications	112,286	116,408	27,930	256,624	63,089	4,717	67,806	324,430	233,127
Equipment and Vehicle Expense	71,021	175,087	8,381	254,489	30,204	4,104	34,308	288,797	138,931
Miscellaneous	48,128	21,410	72,723	142,261	92,437	33,636	126,073	268,334	152,105
Insurance	11,146	6,334	36,603	54,083	212,637	657	213,294	267,377	232,503
Utilities	81,795	43,355	14,863	140,013	45,010	4,449	49,459	189,472	184,731
Promotion and Outreach	16,255	12,035	-	28,290	146,228	1,934	148,162	176,452	143,264
Dues and Subscriptions	14,126	19,764	1,650	35,540	71,947	11,122	83,069	118,609	102,045
Printing and Postage	16,950	7,457	7,834	32,241	40,807	19,197	60,004	92,245	119,241
Bad Debt Expense	-	-	-	-	-	-	-	-	114,872
<b>TOTAL 2018 FUNCTIONAL EXPENSES</b>	<u>\$ 11,540,543</u>	<u>\$ 11,877,107</u>	<u>\$ 6,529,144</u>	<u>\$ 29,946,794</u>	<u>\$ 5,088,026</u>	<u>\$ 969,699</u>	<u>\$ 6,057,725</u>	<u>\$ 36,004,519</u>	
				83%	14%	3%	17%	100%	
<b>TOTAL 2017 FUNCTIONAL EXPENSES</b>	<u>\$ 10,894,807</u>	<u>\$ 10,525,299</u>	<u>\$ 5,633,239</u>	<u>\$ 27,053,345</u>	<u>\$ 4,585,595</u>	<u>\$ 916,964</u>	<u>\$ 5,502,559</u>		<u>\$ 32,555,904</u>
				83%	14%	3%	17%		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, 2018

With Summarized Totals for the Year Ended June 30, 2017

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 724,841	\$ 1,889,915
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	589,057	565,012
Gain on Sale of Property	(1,050,767)	-
Realized and Unrealized Gains on Investments	(377,180)	(810,239)
(Increase) Decrease in:		
Accounts and Other Receivables	316,524	(35,112)
Pledges Receivable	559,756	(867,234)
Prepaid Expenses and Other Assets	(115,432)	15,353
Increase (Decrease) in:		
Accounts Payable	726,096	(159)
Accrued Liabilities	(314,097)	(385,938)
	1,058,798	371,598
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	1,058,798	371,598
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Property and Equipment	(180,796)	(265,142)
Purchase of Investments	(4,645,857)	(2,756,566)
Proceeds on Sale of Property	1,122,704	-
Proceeds on Sale of Investments	4,421,663	1,038,531
	717,714	(1,983,177)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	717,714	(1,983,177)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,776,512	(1,611,579)
Cash and Cash Equivalents - Beginning of Year	1,989,004	3,600,583
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 3,765,516	\$ 1,989,004

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, 2018**

**NOTE 1 - NATURE OF ORGANIZATION**

Since 1904, Children's Bureau of Southern California (Children's Bureau) ([www.all4kids.org](http://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 40,000 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  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2018**

**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 \$2,879,939 to reinvest in agency owned facilities, and \$9,788,968 for operating reserves and strategic initiatives. At June 30, 2017, the Organization has unrestricted board designated net assets of \$12,668,907.
- **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, 2018, the Organization has temporarily restricted net assets of \$2,598,994.
- **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, 2018, 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, 2018 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  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2018**

**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, 2018, 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, 2018 is \$3,658,490 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, 2018 are due in their entirety within one year. The Organization evaluated the collectability of pledges receivable at June 30, 2018 and determined that no allowance for doubtful pledges was needed.

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2018**

**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, 2018.

**(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 \$1,994,949 for the year ended June 30, 2018, which consists of \$1,705,850 for the Organization's awareness campaign, \$194,619 for pro-bono legal services, \$28,500 for pro-bono consulting services, and \$65,980 for general marketing efforts.

**(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  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2018**

**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, 2017 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) No. 2014-09, Revenue from Contracts with Customers, which improves and converges the revenue recognition requirements of U.S. GAAP and International Financial Reporting Standards. The ASU replaces the existing accounting standards for revenue recognition with a single comprehensive five-step model, which is intended to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires more detailed disclosures to enable users of combined financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance has subsequently been amended through a series of ASU's between August 2015 and September 2017 to improve the operability and understandability of the implementation guidance on principal versus agent considerations, licensing implementation guidance, scope exceptions, and various other narrow aspects, as identified and addressed in such updates. For the Organization, the ASU and subsequent amendments will be effective for the year ending June 30, 2020.

In June 2018, the FASB issued ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which is intended to clarify the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance. For the Organization, the ASU will be effective for the year ending June 30, 2020.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2018**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(p) NEW ACCOUNTING PRONOUNCEMENTS** (continued)

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.

**(q) SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2018 for items that should potentially be recognized or disclosed in these consolidated financial statements. No such events were noted other than the events disclosed in Note 12(a). The evaluation was conducted through December 6, 2018, the date these consolidated financial statements were available to be issued.

**NOTE 3 - INVESTMENTS**

At June 30, 2018, investments consist of the following:

Money Market and Cash Equivalents	\$ 1,569,698
Mutual Funds:	
Income / Bond Funds	83,651
Emerging Markets Index Funds	160,659
Other Index Funds	2,687,056
Corporate Stocks	6,046,023
Corporate and Municipal Bonds	3,445,140
Certificates of Deposit	888,955
US Treasury Notes	1,504,577
	<hr/>
<b>TOTAL INVESTMENTS</b>	<b>\$ 16,385,759</b>

Net investment income for the year ended June 30, 2018 consists of the following:

Interest and Dividends	\$ 469,194
Net Realized and Unrealized Gains	377,180
	<hr/>
<b>INVESTMENT INCOME (NET)</b>	<b>\$ 846,374</b>

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2018**

**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, 2018 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2018	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	\$ 1,569,698	\$ 1,569,698	\$ -	\$ -
Mutual Funds:				
Income / Bond Funds	83,651	83,651	-	-
Emerging Markets Index Funds	160,659	160,659	-	-
Other Index Funds	2,687,056	2,687,056	-	-
<b>TOTAL MUTUAL FUNDS</b>	<b>2,931,366</b>	<b>2,931,366</b>	<b>-</b>	<b>-</b>
Corporate Stocks	6,046,023	6,046,023	-	-
Corporate and Municipal Bonds	3,445,140	-	3,445,140	-
Certificates of Deposit	888,955	-	888,955	-
US Treasury Notes	1,504,577	-	1,504,577	-
<b>TOTAL INVESTMENTS</b>	<b>\$ 16,385,759</b>	<b>\$ 10,547,087</b>	<b>\$ 5,838,672</b>	<b>\$ -</b>

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, 2018.

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2018**

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30, 2018:

Land	\$	3,105,000
Buildings and Improvements		16,847,716
Furniture and Equipment		1,655,415
Leasehold Improvements		949,696
		949,696
<b>TOTAL</b>		<b>22,557,827</b>
Less: Accumulated Depreciation		(7,306,043)
		(7,306,043)
<b>PROPERTY AND EQUIPMENT (NET)</b>	<b>\$</b>	<b>15,251,784</b>

Depreciation expense for the year ended June 30, 2018 was \$589,057.

**NOTE 6 - ACCRUED LIABILITIES**

Accrued liabilities consist of the following at June 30, 2018:

Department of Mental Health Contract Reserve [Note 12(c)]	\$	945,362
Accrued Payroll and Benefits		777,044
Accrued Vacation		780,537
Reserve for Unemployment Liability (Note 7)		209,067
Pension Liabilities		207,837
Wraparound Contract Reserve [Note 12(c)]		130,867
Other Accrued Liabilities		275,869
		275,869
<b>TOTAL ACCRUED LIABILITIES</b>	<b>\$</b>	<b>3,326,583</b>

**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, 2018 of \$209,067 (included in accrued liabilities) represents estimated future claims arising from current and past employees. Unemployment expense for the year ended June 30, 2018 was \$122,957.

	Gross Claims Liability		Estimated Insurance Recoveries		Net Claims Liability
Balance at July 1, 2017	\$ 206,334	\$	-	\$	206,334
Self-Insurance Expenses Incurred	122,957		-		122,957
Payments Made to Fund Related Liabilities	(120,224)		-		(120,224)
					(120,224)
<b>BALANCE AT JUNE 30, 2018</b>	<b>\$ 209,067</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>209,067</b>



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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2018**

**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, 2018, no balance was due on the line of credit.

The daily LIBOR rate was 1.93% at June 30, 2018.

**NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2018 are restricted to the following:

Magnolia Community Initiative	\$ 925,721
Donor Restricted Endowment Funds (Note 10)	863,273
POP Change Learning Community	460,000
Time Restrictions	300,000
Nu Parent	<u>50,000</u>
<b><i>TOTAL TEMPORARILY RESTRICTED NET ASSETS</i></b>	<b><u>\$ 2,598,994</u></b>

**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  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2018**

**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, 2018**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted	\$ -	\$ 863,273	\$ 1,627,879	\$ 2,491,152

**Changes in Endowment Net  
Assets for the Year Ended  
June 30, 2018**

Endowment Net Assets - Beginning of Year	\$ -	\$ 730,229	\$ 1,627,879	\$ 2,358,108
Contributions	-	-	-	-
Investment Income	-	133,044	-	133,044
Appropriation of Endowment Assets for Expenditure	-	-	-	-

***ENDOWMENT NET ASSETS -  
END OF YEAR***

	\$ -	\$ 863,273	\$ 1,627,879	\$ 2,491,152
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**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, 2018 was \$730,114.

**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**

2019	\$ 718,105
2020	521,946
2021	532,096
2022	295,070
2023	178,377
Thereafter	90,545
<b>TOTAL</b>	<b>\$ 2,336,139</b>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2018**

**NOTE 12 - COMMITMENTS AND CONTINGENCIES** (continued)

**(a) OBLIGATIONS UNDER OPERATING LEASES** (continued)

Rent expense under operating lease for the year ended June 30, 2018 was \$826,345.

Several of the Organization's office space leases were amended or extended subsequent to June 30, 2018.

**(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 \$945,362 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 \$130,867 related to previously funded costs for its Wraparound programs. 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.

**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, 2018

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS**

Year Ended June 30, 2018

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	
<b>FEDERAL AWARDS</b>					
<b>U.S. Department of Health and Human Services:</b>					
Passed through State of California Department of Social Services:					
Foster Care - Title IV-E	07-021-13	93.658	\$ 1,160,092	\$ 2,465,197	\$ 3,625,289
Adoption Assistance		93.659	597,500	597,500	1,195,000
Passed through County of Los Angeles, Department of Children and Family Services:					
Wraparound Approach Services	04-011-08	93.658	212,953	333,079	546,032
Passed through Children and Families Commission of Orange County:					
Targeted Case Management	FCI-BN2-12	93.778	951	-	951
Passed through State of California Department of Social Services:					
Child Abuse Prevention and Treatment Act Strategies	STRCB/16-19	93.590	693,674	173,417	867,091
Passed through County of Orange Social Services Agency Promoting Safe and Stable Families: (a)					
Families and Communities Together Program	FCE0314	93.556	291,317	-	291,317
Families and Communities Together Program	FKV1315	93.556	262,533	-	262,533
Families and Communities Together Program	FCE1215	93.556	504,762	-	504,762
Families and Communities Together Program	FCE0115	93.556	295,256	-	295,256
Families and Communities Together Program	FKV0215	93.556	62,017	-	62,017
Families and Communities Together Program	FKV0415	93.556	51,496	-	51,496
Families and Communities Together Program	FCE0615	93.556	294,743	-	294,743
			1,762,124	-	1,762,124
Passed through County of Los Angeles, Department of Children and Family Services:					
Adoption Promotions Supporting Services (a)	2015-01-04	93.556	171,614	-	171,614
The Office of Family Assistance, New Pathways for Fathers and Families 'Dads Matter' Program (a)					
	90FK0110-01-00	93.086	969,169	-	969,169
Passed through County of Los Angeles, Department of Children and Family Services: (a)					
Prevention and Aftercare Services (Subcontract)		93.556	37,510	-	37,510
Prevention and Aftercare Services (Subcontract)		93.556	124,347	-	124,347
Prevention and Aftercare Services	2015-01-09	93.556	479,752	-	479,752
			641,609	-	641,609
U.S. Committee for Refugees and Immigrants					
Office of Refugee Resettlement: Post Release Services for Unaccompanied Alien Children Program	90ZU0064	93.676	357,202	-	357,202
<b>Total U.S. Department of Health and Human Services</b>			<b>6,566,888</b>	<b>3,569,193</b>	<b>10,136,081</b>

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, 2018**

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	
<b>U.S. Department of Housing and Urban Development:</b>					
Passed through City of Huntington, Department of Economic Development:					
Community Development Block Grants/Entitlement Grants	B-08-MC-06-0506	14.218	49,483	-	49,483
<b>Total U.S. Department of Housing and Urban Development</b>			49,483	-	49,483
<b>TOTAL FEDERAL AWARDS</b>			6,616,371	3,569,193	10,185,564
(a) Audited as a Major Program					
<b>NON-FEDERAL AWARDS</b>					
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		-	339,002	339,002
Partnership for Families (Subcontract)			-	105,629	105,629
State of California Department of Education:					
State Preschool Program	CSPP-7165		-	605,239	605,239
Child and Adult Care Food Program	05208-CACFP-19-NP		-	50,010	50,010
Magnolia School District					
	SS12-02		-	116,820	116,820
State of California Department of Mental Health					
Passed through County of Los Angeles, Department of Mental Health					
	MH121253		-	14,081,243	14,081,243
State of California Department of Public Health					
Passed through County of Los Angeles, Department of Public Health					
	PH-003242		-	285,181	285,181
Department of Public Health	PH-003345		-	531,774	531,774
Department of Public Health	PH-003173		-	577,360	577,360
State of California:					
Passed through Children and Families Commission of Orange County:					
Infants Home Visitation Program	FCI-BN2-12		-	410,000	410,000
Toddlers Home Visitation Program	FCI-BN2-12		-	460,000	460,000
Network Anaheim ACT	FCI-AP-01		-	75,000	75,000
Psychological Assessments			-	14,000	14,000
			-	959,000	959,000
State of California:					
Passed through County of Los Angeles Proposition 10 Commission - First 5 LA:					
Select Home Visitation Program	#00831		-	391,480	391,480
Welcome Baby Program (Subcontract)			-	46,741	46,741
			-	438,221	438,221
<b>TOTAL NON-FEDERAL AWARDS</b>			-	18,189,479	18,189,479
<b>TOTAL FEDERAL AND NON-FEDERAL AWARDS</b>			\$ 6,616,371	\$ 21,758,672	\$ 28,375,043

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, 2018

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, 2018**

**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, 2018. 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.

**4. Subrecipients**

The Organization has not provided any 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		7/1/17 - 6/30/18
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	\$ 26,089	\$ 26,089	\$ -	\$ -	\$ -	Portion of Agency's ED allocated to FFA program.	
100b	Assistant Director Salary	18,570	18,570	-	-	-	Portion of Agency's AD allocated to FFA program.	
100c	Administrator Salary	123,622	123,622	-	-	-	Portion of Program Director's time allocated to FFA.	
100d	All Other Administrative Salaries	389,571	389,571	-	-	-	Administrative salaries charged to FFA programs.	
101	Recruitment Payroll	57,912	-	57,912	-	-	Recruitment salaries for FFA programs.	
102	Training Payroll	48,000	-	-	48,000	-	Training salaries for FFA programs.	
110	Administrative Contracts	27,708	27,708	-	-	-	Allocated based on % of salaries in each category.	
121	Telephone and Telegraph	20,073	4,226	-	-	15,847	Allocated based on % of salaries in each category.	
122	Postage and Freight	3,723	433	-	-	3,290	Allocated based on % of salaries in each category.	
123	Office Supplies	9,197	1,405	-	-	7,792	Allocated based on % of salaries in each category.	
132	Conferences, Meetings, In-Service Training	16,955	8,925	-	-	8,030	Allocated based on % of salaries in each category.	
133	Memberships, Subscriptions, Dues	5,030	5,030	-	-	-	Allocated based on % of salaries in each category.	
134	Printing, Publications	3,262	2,433	-	-	829	Allocated based on % of salaries in each category.	
135	Bonding, General Insurance	49,910	14,442	-	-	35,468		
137	Advertising	39,772	12,651	27,006	-	115		
138	Miscellaneous	221,980	27,572	-	-	194,408	Allocated based on % of salaries in each category.	
		1,061,374	662,677	84,918	48,000	265,779		
200	Building and Equipment Payroll	11,574	11,574	-	-	-	Allocated based on % of salaries in each category.	
211	Building Rents and Leases	84,787	298	-	-	84,489	Allocated based on % of salaries in each category.	
214	Acquisition Mortgage Principal & Interest	-	-	-	-	-		
215	Property Appraisal Fees	-	-	-	-	-		
216	Property Taxes	424	90	-	-	334	Allocated based on % of salaries in each category.	
217	Building and Equipment Insurance	-	-	-	-	-		
221	Utilities	5,953	154	-	-	5,799	Allocated based on % of salaries in each category.	
222	Building Maintenance	22,068	3,165	-	-	18,903	Allocated based on % of salaries in each category.	
223	Building and Equipment Contracts	9,485	7,852	-	-	1,633	Allocated based on % of salaries in each category.	
224	Building and Equipment Supplies	4,933	1,956	-	-	2,977	Allocated based on % of salaries in each category.	
225	Equipment Leases	2,865	192	-	-	2,673	Allocated based on % of salaries in each category.	
226	Equipment Depreciation Expense	24,460	5,270	-	-	19,190	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		-	-	-	-	-		
242	Vehicle Depreciation	-	-	-	-	-		
243	Vehicle Operating Costs	30,423	435	-	-	29,988	Allocated based on % of salaries in each category.	
		196,972	30,986	-	-	165,986		
350	Total Paid to Certified Family Homes	1,586,742	-	-	-	1,586,742	100% social work.	
352	Other Child-Related Costs, Not Provided by Certified Family Homes	-	-	-	-	-		
		1,586,742	-	-	-	1,586,742		
410	Social Worker Payroll and/or Social Worker Contract	705,270	-	-	-	705,270	Allocated based on % of salaries in each category.	
440	Direct Care Contracts	86,804	-	-	-	86,804		
		792,074	-	-	-	792,074		
500	<b>TOTAL EXPENSES</b>	\$ 3,637,162	\$ 693,663	\$ 84,918	\$ 48,000	\$ 2,810,581		

See Independent Auditor's Report