

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

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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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, 2020, 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, 2020, 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 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 14, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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 November 19, 2020 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 19, 2020
Los Angeles, California

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2020

With Summarized Totals at June 30, 2019

ASSETS	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Cash and Cash Equivalents	\$ 9,461,358	\$ -	\$ 9,461,358	\$ 3,808,086
Restricted Cash	182,928	-	182,928	193,615
Investments	13,724,398	3,412,246	17,136,644	16,935,657
Accounts and Other Receivables	5,439,325	-	5,439,325	5,700,918
Pledges Receivable	-	1,151,514	1,151,514	586,546
Prepaid Expenses and Other Assets	243,465	-	243,465	300,997
Property and Equipment (Net)	14,877,489	-	14,877,489	15,071,702
TOTAL ASSETS	\$ 43,928,963	\$ 4,563,760	\$ 48,492,723	\$ 42,597,521
 LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable	\$ 1,247,532	\$ -	\$ 1,247,532	\$ 2,404,744
Accrued Liabilities	5,282,474	-	5,282,474	3,933,263
Paycheck Protection Program Loan	5,301,398	-	5,301,398	-
TOTAL LIABILITIES	11,831,404	-	11,831,404	6,338,007
NET ASSETS:				
Without Donor Restrictions (Note 10)				
Undesignated	19,014,959	-	19,014,959	19,236,404
Board Designated	13,082,600	-	13,082,600	13,330,018
With Donor Restrictions (Note 11)	-	4,563,760	4,563,760	3,693,092
TOTAL NET ASSETS	32,097,559	4,563,760	36,661,319	36,259,514
TOTAL LIABILITIES AND NET ASSETS	\$ 43,928,963	\$ 4,563,760	\$ 48,492,723	\$ 42,597,521

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, 2020
With Summarized Totals for the Year Ended June 30, 2019

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT:				
Government Grants and Contracts	\$ 39,179,863	\$ -	\$ 39,179,863	\$ 39,614,081
Contributions	1,731,668	2,646,289	4,377,957	2,241,283
Special Events (Net of Direct Donor Benefit Expenses of \$389,929)	864,967	-	864,967	1,176,735
Contributions In-Kind	1,386,355	-	1,386,355	1,313,768
Investment Income, Net, [Excluding Net Unrealized/ Realized Gains (Losses)]	377,574	-	377,574	439,297
Rental and Other Income	738,648	-	738,648	638,244
Net Assets Released from Donor Restrictions	1,758,918	(1,758,918)	-	-
TOTAL REVENUE AND SUPPORT	46,037,993	887,371	46,925,364	45,423,408
EXPENSES:				
Program Services	39,067,298	-	39,067,298	39,785,363
Management and General	5,959,621	-	5,959,621	5,187,296
Fundraising	1,064,504	-	1,064,504	988,876
TOTAL EXPENSES	46,091,423	-	46,091,423	45,961,535
CHANGE IN NET ASSETS BEFORE NET UNREALIZED/ REALIZED GAINS (LOSSES) ON INVESTMENTS	(53,430)	887,371	833,941	(538,127)
Net Unrealized/Realized Gains (Losses) on Investments	(415,433)	(16,703)	(432,136)	934,504
CHANGE IN NET ASSETS	(468,863)	870,668	401,805	396,377
Net Assets - Beginning of Year	32,566,422	3,693,092	36,259,514	35,863,137
NET ASSETS - END OF YEAR	\$ 32,097,559	\$ 4,563,760	\$ 36,661,319	\$ 36,259,514

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, 2020
With Summarized Totals for the Year Ended June 30, 2019**

	2020								2019 Total	
	Program Services			Total Program Services	Supporting Services			Total Support Services		Total
	Child Abuse Prevention Services	Mental Health	Specialized Foster Care and Adoption		Management and General	Fundraising	Total			
Salaries	\$ 6,957,536	\$ 12,253,477	\$ 1,868,404	\$ 21,079,417	\$ 2,999,115	\$ 745,148	\$ 3,744,263	\$ 24,823,680	\$ 23,185,293	
Employee Benefits and Payroll Taxes	1,847,495	2,870,848	473,959	5,192,302	751,428	157,807	909,235	6,101,537	5,770,688	
TOTAL PERSONNEL COST	8,805,031	15,124,325	2,342,363	26,271,719	3,750,543	902,955	4,653,498	30,925,217	28,955,981	
Professional and Temporary Services	717,634	1,292,522	162,462	2,172,618	842,668	54,667	897,335	3,069,953	2,947,655	
Subcontractors	2,705,618	-	92,924	2,798,542	-	-	-	2,798,542	2,512,977	
Direct Client Services	328,679	64,155	1,735,842	2,128,676	-	-	-	2,128,676	1,989,348	
Occupancy	422,614	1,026,802	107,912	1,557,328	125,405	10,354	135,759	1,693,087	1,780,265	
Awareness Campaign	-	-	859,829	859,829	-	-	-	859,829	1,118,286	
Communications	219,321	278,932	33,072	531,325	87,677	5,405	93,082	624,407	693,241	
Depreciation	309,310	94,438	40,790	444,538	152,790	20,150	172,940	617,478	585,301	
Books and Supplies	395,572	92,353	18,290	506,215	24,895	3,824	28,719	534,934	700,096	
Computers and Software	103,437	179,860	19,434	302,731	203,116	13,282	216,398	519,129	934,537	
Recruitment and Training	251,423	56,546	94,552	402,521	46,827	1,556	48,383	450,904	622,271	
Travel	190,906	183,966	36,839	411,711	16,223	2,176	18,399	430,110	580,971	
Insurance	16,043	7,298	41,273	64,614	257,870	1,113	258,983	323,597	295,030	
Equipment and Vehicle Expense	160,995	100,677	6,424	268,096	10,517	950	11,467	279,563	974,047	
Utilities	89,636	58,789	10,298	158,723	42,210	4,897	47,107	205,830	228,637	
Miscellaneous	40,965	18,758	2,340	62,063	129,721	4,975	134,696	196,759	186,179	
Promotion and Outreach	8,627	5,784	3,433	17,844	150,031	3,808	153,839	171,683	572,560	
Dues and Subscriptions	21,047	48,422	450	69,919	76,215	10,816	87,031	156,950	151,056	
Printing and Postage	13,058	18,232	6,996	38,286	42,913	23,576	66,489	104,775	133,097	
TOTAL 2020 FUNCTIONAL EXPENSES	\$ 14,799,916	\$ 18,651,859	\$ 5,615,523	\$ 39,067,298	\$ 5,959,621	\$ 1,064,504	\$ 7,024,125	\$ 46,091,423		
			85%		13%	2%	15%	100%		
TOTAL 2019 FUNCTIONAL EXPENSES	\$ 13,809,054	\$ 20,015,844	\$ 5,960,465	\$ 39,785,363	\$ 5,187,296	\$ 988,876	\$ 6,176,172		\$ 45,961,535	
			87%		11%	2%	13%		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, 2020

With Summarized Totals for the Year Ended June 30, 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 401,805	\$ 396,377
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	617,478	585,301
Non Cash Contributions of Securities	(152,545)	(51,866)
Realized and Unrealized (Gains) Losses on Investments	432,136	(934,504)
(Increase) Decrease in:		
Accounts and Other Receivables	261,593	(1,989,083)
Pledges Receivable	(564,968)	756,114
Prepaid Expenses and Other Assets	57,532	65,059
Increase (Decrease) in:		
Accounts Payable	(1,157,212)	770,854
Accrued Liabilities	1,349,211	606,680
	1,245,030	204,932
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on Sale of Investments	8,858,177	6,385,922
Purchase of Investments	(9,338,755)	(5,949,450)
Purchase of Property and Equipment	(423,265)	(405,219)
	(903,843)	31,253
 CASH FLOWS FROM FINANCING ACTIVITY:		
Paycheck Protection Program Loan Proceeds	5,301,398	-
	5,301,398	-
 NET INCREASE IN CASH AND CASH EQUIVALENTS	5,642,585	236,185
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	4,001,701	3,765,516
 CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	\$ 9,644,286	\$ 4,001,701
 Cash, Cash Equivalents and Restricted Cash consist of:		
Cash and Cash Equivalents	\$ 9,461,358	3,808,086
Restricted Cash	182,928	193,615
	\$ 9,644,286	\$ 4,001,701

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, 2020**

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 50,000 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 upon consolidation.

(b) BASIS OF PRESENTATION

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

(c) NET ASSETS

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

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions. The Organization has \$19,014,959 of undesignated net assets without donor restrictions.

The Organization's Board of Directors has designated, from net assets without donor restrictions, net assets for achieving its mission and strategic objectives of \$13,082,600 at June 30, 2020 (See Note 10). These are comprised of designations of \$2,839,161 to reinvest in agency-owned facilities and \$10,243,439 for operating reserves and strategic initiatives.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) NET ASSETS (continued)

- **Net Assets With Donor Restrictions.** Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. (See Note 10).

(d) CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

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, 2020 approximates its fair value. At June 30, 2020, the Organization had restricted cash of \$182,928 related to unemployment self-insurance.

(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 net assets without donor restrictions unless their use is 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.

(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, 2020, the majority of receivables are due from governmental agencies and no allowance for doubtful accounts was considered necessary, except as described in Note 14(c).

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) CONCENTRATION OF CREDIT RISKS

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

Approximately 84% 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, 2020 is \$4,804,492 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

The Organization recognizes grants and contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest are received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. There was one conditional promise to give of approximately \$2,900,000 at June 30, 2020, related to a government grant awarded in fiscal year 2020. Pledges receivable at June 30, 2020 are due in their entirety within one year. The Organization evaluated the collectability of pledges receivable at June 30, 2020 and determined that no allowance for doubtful pledges was needed.

(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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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, 2020.

(k) PAYCHECK PROTECTION PROGRAM LOAN

Management has elected to account for the forgivable loan received under the Paycheck Protection Program (PPP) provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act as a debt instrument and to accrue interest on the outstanding loan balance. Additional interest at a market rate (due to the stated interest rate of the PPP loan being below market) is not imputed, as transactions where interest rates are prescribed by governmental agencies are excluded from the scope of the accounting guidance on imputing interest. The proceeds from the loan will remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the Organization has been 'legally released' or (2) the Organization repays the loan to the lender. Refer to Note 9.

(l) 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 \$1,386,355 for the year ended June 30, 2020, which consists of \$859,829 for the Organization's awareness campaign, \$512,856 for pro-bono legal services, and \$13,670 for computer equipment.

(m) INCOME TAXES

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

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic 740, *Uncertainty in Income Taxes*, the Organization recognizes the impact of tax positions in the consolidated financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended June 30, 2020, the Organization performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the consolidated financial statements or which might have an effect on its tax-exempt status.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) 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.

(o) 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.

(p) 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, 2019 from which the summarized information was derived.

(q) NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, 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, 2021.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) NEW ACCOUNTING PRONOUNCEMENTS (continued)

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. The Organization implemented the ASU during the year ended June 30, 2020.

In November 2016, FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The Organization adopted the provisions of this new standard during the year ended June 30, 2020. This guidance clarifies how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. This guidance requires entities to present the change in restricted cash and restricted cash equivalents with cash and cash equivalents to reconcile amounts on the statement of financial position to the statement of cash flows. Entities are required to disclose the nature of the restrictions, as well as reconcile totals in the statement of cash flows to cash, cash equivalents, restricted cash, and restricted cash equivalents on the statement of financial position when these are shown in more than one line item.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU is intended to improve transparency in the reporting of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. For the Organization, the ASU will be effective for the year ending June 30, 2022.

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

(r) RECLASSIFICATIONS

For comparability, certain June 30, 2019 amounts have been reclassified, where appropriate, to conform to the consolidated financial statement presentation used at June 30, 2020.

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to the consolidated statement of financial position date of June 30, 2020 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 15. The evaluation was conducted through November 19, 2020, the date these consolidated financial statements were available to be issued.

NOTE 3 - INVESTMENTS

At June 30, 2020, investments consist of the following:

Money Market and Cash Equivalents	\$ 3,441,629
Mutual Funds:	
Income / Bond Funds	64,440
Emerging Markets Index Funds	394,501
Other Index Funds	3,366,228
Corporate Stocks	5,513,391
Corporate and Municipal Bonds	1,521,046
Certificates of Deposit	1,094,938
U.S. Treasury Notes	2,100,471
	<hr/>
TOTAL INVESTMENTS	\$ 17,136,644

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, 2020 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 4 - FAIR VALUE MEASUREMENTS (continued)

	Year Ended June 30, 2020	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	\$ 3,441,629	\$ 3,441,629	\$ -	\$ -
Mutual Funds:				
Income / Bond Funds	64,440	64,440	-	-
Emerging Markets Index Funds	394,501	394,501	-	-
Other Index Funds	3,366,228	3,366,228	-	-
TOTAL MUTUAL FUNDS	3,825,169	3,825,169	-	-
Corporate Stocks	5,153,391	5,153,391	-	-
Corporate and Municipal Bonds	1,521,046	-	1,521,046	-
Certificates of Deposit	1,094,938	-	1,094,938	-
U.S. Treasury Notes	2,100,471	-	2,100,471	-
TOTAL INVESTMENTS	\$ 17,136,644	\$ 12,420,189	\$ 4,716,455	\$ -

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, certificates of deposit and U.S treasury notes 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 generally 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, 2020.

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2020:

Land	\$ 3,105,000
Buildings and Improvements	17,069,595
Construction in Progress	326,998
Furniture and Equipment	1,933,973
Leasehold Improvements	949,696
TOTAL	23,385,262
Less: Accumulated Depreciation	(8,507,773)
PROPERTY AND EQUIPMENT (NET)	\$ 14,877,489

Depreciation expense for the year ended June 30, 2020 was \$617,478.

NOTE 6 - ACCRUED LIABILITIES

Accrued liabilities consist of the following at June 30, 2020:

Accrued Payroll and Benefits	\$ 1,122,204
Accrued Vacation	1,169,358
Department of Mental Health Contract Reserve [Note 14(c)]	1,021,013
Pension Liabilities	238,929
Reserve for Unemployment Liability (Note 7)	230,000
Advance on Grant	1,237,585
Other Accrued Liabilities	263,385
TOTAL ACCRUED LIABILITIES	\$ 5,282,474

NOTE 7 - RESERVE FOR UNEMPLOYMENT

The Organization has elected to be self-insured for the purposes of California State Unemployment Insurance. The reserve for unemployment liability at June 30, 2020 of \$230,000 (included in accrued liabilities) represents estimated future claims arising from current and past employees. Unemployment expense for the year ended June 30, 2020 was \$109,122.

	Gross Claims Liability	Estimated Insurance Recoveries	Net Claims Liability
Balance at July 1, 2019	\$ 193,615	\$ -	\$ 193,615
Self-Insurance Expenses Incurred	109,122	-	109,122
Payments Made to Fund Related Liabilities	(72,737)	-	(72,737)
BALANCE AT JUNE 30, 2020	\$ 230,000	\$ -	\$ 230,000

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 8 - LINE OF CREDIT

The Organization has a revolving line of credit with Bank of America due January 31, 2022 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, 2020, no balance was due on the line of credit.

The daily LIBOR rate was .08% at June 30, 2020.

NOTE 9 - PAYCHECK PROTECTION PROGRAM LOAN

On April 27, 2020, the Organization applied for and received a PPP loan in the amount of \$5,292,577. The PPP loan, administered by the Small Business Administration (SBA), bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the SBA. Interest accrues on the loan beginning with the initial disbursement; however, payments of principal and interest are deferred until the lender's determination of the amount of forgiveness applied for by the borrower is approved by the SBA. If the Organization does not apply for forgiveness within 10 months after the last day of the covered period (defined, at the Organization's election, as either 8 weeks or 24 weeks), such payments will be due that month.

The Organization intends to apply for forgiveness of the PPP loan with respect to the eligible expenses incurred during the covered period. To the extent that all or part of the PPP loan is not forgiven, the Organization will be required to pay interest on the PPP loan at a rate of 1.0% per annum. The terms of the PPP loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events.

At June 30, 2020 the total outstanding balance of the PPP loan, including accrued interest of \$8,821, was \$5,301,398.

NOTE 10 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of undesignated and Board designated amounts for the following purposes at June 30, 2020:

Undesignated	\$ 19,014,959
Board Designations for Facilities, Operating Reserves and Strategic Initiatives	<u>13,082,600</u>
<i>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</i>	<u>\$ 32,097,559</u>

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

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2020:

Subject to Expenditure for Specified Purpose:	
POP Change Learning Community	\$ 174,054
Magnolia Community Initiative	466,380
Family Enrichment Programs	31,250
Family Oasis FRC	111,135
COVID-19 Response	95,000
Time Restrictions	1,111,200
Subject to Endowment Spending Policy and Appropriation:	
Donor Restricted Endowment (Note 12)	1,627,879
Unspent Earnings on Endowment (Note 12)	<u>946,862</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 4,563,760</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2020:

Satisfaction of Purpose Restrictions:	
Magnolia Community Initiative	\$ 618,773
Purpose Restrictions - IT	23,214
POP Change Learning Community	262,770
Family Enrichment Programs	118,750
Family Oasis FRC	13,865
COVID-19 Response	10,000
Nu Parent	25,000
Satisfaction of Passage of Time:	
Appropriation of Endowment Income	50,000
Time Restrictions	<u>636,546</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 1,758,918</u>

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 12 - 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, endowments include the fair value of the original and subsequent gifts made to the endowment fund and any accumulations required by donor stipulation. Accumulated earnings as well as gains and losses related to endowment assets are classified as with donor restrictions until they are either appropriated by the 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.

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, 2020	Without Donor Restrictions	With Donor Restrictions- Unspent Endowment Earnings	With Donor Restrictions- Permanent Endowment	Total
Donor-Restricted	\$ -	\$ 946,862	\$ 1,627,879	\$ 2,574,741
Changes in Endowment Net Assets for the Year Ended June 30, 2020				
Endowment Net Assets - Beginning of Year	\$ -	\$ 1,013,565	\$ 1,627,879	\$ 2,641,444
Contributions	-	-	-	-
Investment Return (Net)	-	(16,703)	-	(16,703)
Appropriation of Endowment Assets for Expenditure	-	(50,000)	-	(50,000)
ENDOWMENT NET ASSETS - END OF YEAR	\$ -	\$ 946,862	\$ 1,627,879	\$ 2,574,741

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 13 - 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, 2020 was \$918,676.

NOTE 14 - 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	
2021	\$ 1,098,586
2022	559,668
2023	333,874
2024	208,214
2025	93,494
Thereafter	-
TOTAL	\$ 2,293,836

Rent expense under operating lease for the year ended June 30, 2020 was \$1,117,392.

(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 \$1,021,013 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. 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
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 15 - 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.

NOTE 16 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Organization at June 30, 2020 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the consolidated statement of financial position are summarized in the following table:

Financial Assets at June 30, 2020	
Cash and Cash Equivalents	\$ 9,461,358
Investments	17,136,644
Accounts Receivable (Net of Contract Reserves)	4,418,312
Pledges Receivable (Net)	<u>1,151,514</u>
TOTAL FINANCIAL ASSETS AT JUNE 30, 2020	32,167,828
Less Amounts Not Available to Be Used within One Year, Due to:	
Donor-Imposed Restrictions:	
Funds Held for Permanent Endowments	(1,627,879)
Unspent Endowment Earnings	(946,862)
Funds Held with Purpose Restrictions	(837,505)
Pledges Restricted by Purpose or Time	(1,151,514)
Board Designations:	
Amounts Set Aside to Reinvest in Agency Owned Facilities	(2,839,161)
Amounts Set Aside for Operating Reserves and Strategic Initiatives	<u>(10,243,439)</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 14,521,468</u>

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

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020**

NOTE 16 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (continued)

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and a line of credit. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers pledges restricted by time only and expected to be collected in the next fiscal year as available for general expenditures.

The Organization's investments are held for operations and endowments. Approximately 70 percent of the Organization's investment portfolio consists of highly liquid investments; 30 percent of the portfolio's investments may be redeemed either at future specified redemption dates or after a specified redemption period.

The Organization's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 12, the endowment earnings will be appropriated by the Board of Directors for use in current operations or in accordance with donor stipulations.

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

In the event of an unanticipated liquidity need, the Organization also could draw upon \$4,500,000 of available line of credit (refer to Note 8).

The recent COVID-19 outbreak in the United States and world-wide has caused business disruption which may negatively impact the Organization's program services delivery and operations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. However, the related consolidated financial impact and duration cannot be reasonably estimated at this time.

**CHILDREN'S BUREAU OF
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SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2020

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS

Year Ended June 30, 2020

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	Amounts Paid to Subrecipients
			Federal	Non-Federal		
FEDERAL AWARDS						
U.S. Department of Health and Human Services:						
Passed through State of California Department of Social Services:						
Foster Care - Title IV-E (a)	07-021-12	93.658	\$ 1,219,142	\$ 2,589,775	\$ 3,808,917	\$ -
Adoption Assistance	197805428	93.659	297,500	297,500	595,000	-
Passed through State of California Department of Social Services: Child Abuse Prevention and Treatment Act Strategies	STRCB/16-19	93.590	649,502	162,375	811,877	75,368
Passed through County of Orange Social Services Agency Promoting Safe and Stable Families:						
Families and Communities Together Program	FCE0314	93.556	288,721	-	288,721	-
Families and Communities Together Program	FKV1315	93.556	253,496	-	253,496	-
Families and Communities Together Program	FCE1215	93.556	491,485	-	491,485	-
Families and Communities Together Program	FCE0115	93.556	290,742	-	290,742	-
Families and Communities Together Program	FKV0215	93.556	61,595	-	61,595	-
Families and Communities Together Program	FKV0415	93.556	53,542	-	53,542	-
Families and Communities Together Program	FCE0615	93.556	295,033	-	295,033	-
			<u>1,734,614</u>	<u>-</u>	<u>1,734,614</u>	<u>-</u>

See Independent Auditor's Report

**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS

Year Ended June 30, 2020

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	Amounts Paid to Subrecipients
			Federal	Non-Federal		
Passed through County of Los Angeles, Department of Children and Family Services: Adoption Promotions Supporting Services	2015-01-04	93.556	\$ 227,881	\$ -	\$ 227,881	\$ -
The Office of Family Assistance, New Pathways for Fathers and Families 'Dads Matter' Program	90FK0110-01-00	93.086	711,500	-	711,500	71,300
Passed through County of Los Angeles, Department of Children and Family Services: Prevention and Aftercare Services (Subcontract)		93.556	81,972	-	81,972	-
Prevention and Aftercare Services (Subcontract)		93.556	186,204	-	186,204	-
Prevention and Aftercare Services	2015-01-09	93.556	1,463,957	-	1,463,957	568,234
			<u>1,732,133</u>	<u>-</u>	<u>1,732,133</u>	<u>568,234</u>
U.S. Committee for Refugees and Immigrants Office of Refugee Resettlement: Post Release Services for Unaccompanied Alien Children Program (a)	90ZU0064	93.676	614,470	-	614,470	-
Total U.S. Department of Health and Human Services			<u>7,186,742</u>	<u>3,049,650</u>	<u>10,236,392</u>	<u>714,902</u>
State of California Department of Education: State Preschool Program	CSPP-9170		-	663,168	663,168	-
Child and Adult Care Food Program	05208-CACFP-19-NP		39,000	-	39,000	-
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	65,000	-	65,000	-
Total U.S. Department of Housing and Urban Development			<u>104,000</u>	<u>663,168</u>	<u>767,168</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>7,290,742</u>	<u>3,712,818</u>	<u>11,003,560</u>	<u>714,902</u>

(a) Audited as a Major Program

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SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS

Year Ended June 30, 2020

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	Amounts Paid to Subrecipients
			Federal	Non-Federal		
NON-FEDERAL AWARDS						
County of Los Angeles, Department of Children and Family Services						
Community Child Abuse Council	78371		\$ -	\$ 99,800	\$ 99,800	\$ -
Relative Support Service	15-001-28		-	294,384	294,384	-
Partnership for Families (Subcontract)			-	124,580	124,580	-
Magnolia School District	SS12-02		-	122,152	122,152	-
State of California Department of Mental Health						
Passed through County of Los Angeles, Department of Mental Health	MH121969		-	21,554,478	21,554,478	-
OC School Readiness MHSA	CBS02BHKK21		-	873,580	873,580	-
OC CalOptima MHSA			-	488,653	488,653	-
Innovations 2 (PLN subcontract)			-	156,532	156,532	-
State of California Department of Public Health						
Passed through County of Los Angeles, Department of Public Health	PH-003242		-	58,449	58,449	-
Department of Public Health	PH-003345		-	521,088	521,088	-
Department of Public Health	PH-003173		-	502,828	502,828	-
Department of Public Health	PH-003675 HVPE		-	213,589	213,589	-
Department of Public Health	PH-003675 DPSS		-	593,786	593,786	-
State of California:						
Passed through Children and Families Commission of Orange County:						
Infants Home Visitation Program	FCI-BN3-12		-	401,002	401,002	-
Infants CalWorks Program	FCI-BN3-12		-	256,471	256,471	-
Toddlers Home Visitation Program	FCI-BN2-12		-	515,500	515,500	-
Targeted Case Management	FCI-BN2-12		-	106,372	106,372	-
				<u>1,279,345</u>	<u>1,279,345</u>	<u>-</u>

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**CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
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SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS

Year Ended June 30, 2020

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	Amounts Paid to Subrecipients
			Federal	Non-Federal		
State of California:						
Passed through County of Los Angeles Proposition 10						
Commission - First 5 LA:						
Regional Support Network	#10076		\$ -	\$ 997,735	\$ 997,735	\$ -
Select Home Visitation Program	#00831		-	295,324	295,324	-
			-	1,293,059	1,293,059	-
TOTAL NON-FEDERAL AWARDS			-	28,176,303	28,176,303	-
TOTAL FEDERAL AND NON-FEDERAL AWARDS			\$ 7,290,742	\$ 31,889,121	\$ 39,179,863	\$ 714,902

Notes to the Schedule of Expenditures of Federal and Non-Federal Awards for the Year Ended June 30, 2020

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, 2020. 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. Sub-recipients

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

See Independent Auditor's Report

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

TOTAL PROGRAM COST DISPLAY (FCR 12FFA)
SUBMIT ONE FOR EACH PROGRAM

Number of months in cost reporting period TWELVE

CORPORATE/LICENSEE NAME		PROGRAM NAME (IF DIFFERENT)		CORPORATE NUMBER		PROGRAM NUMBER		REPORTING PERIOD	
Children's Bureau of Southern California		Specialized Foster Care		D-C01-957		0252.01.03		7/1/19 - 6/30/20	
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	\$ 44,269	\$ 44,269	\$ -	\$ -	\$ -	Portion of Agency's ED allocated to FFA program.		
100b	Assistant Director Salary	23,111	23,111	-	-	-	Portion of Agency's AD allocated to FFA program.		
100c	Administrator Salary	82,000	82,000	-	-	-	Portion of Program Director's time allocated to FFA.		
100d	All Other Administrative Salaries	800,577	800,577	-	-	-	Administrative salaries charged to FFA programs.		
101	Recruitment Payroll	61,188	-	61,188	-	-	Recruitment salaries for FFA programs.		
102	Training Payroll	44,587	-	-	44,587	-	Training salaries for FFA programs.		
110	Administrative Contracts	-	-	-	-	-			
121	Telephone and Telegraph	17,611	9,475	616	440	7,080	Allocated based on % of salaries in each category.		
122	Postage and Freight	4,059	2,184	142	101	1,632	Allocated based on % of salaries in each category.		
123	Office Supplies	7,762	4,176	272	194	3,120	Allocated based on % of salaries in each category.		
132	Conferences, Meetings, In-Service Training	34,970	18,814	1,224	874	14,058	Allocated based on % of salaries in each category.		
133	Memberships, Subscriptions, Dues	200	108	7	5	80	Allocated based on % of salaries in each category.		
134	Printing, Publications	215	116	8	5	86	Allocated based on % of salaries in each category.		
135	Bonding, General Insurance	39,556	21,281	1,384	989	15,902	Allocated based on % of salaries in each category.		
137	Advertising	35,144	-	35,144	-	-	Outreach/Recruitment charged for FFA programs.		
138	Miscellaneous	16,650	-	-	-	16,650	Allocated based on % of salaries in each category.		
		1,211,899	1,006,111	99,985	47,195	58,608			
200	Building and Equipment Payroll	-	-	-	-	-			
211	Building Rents and Leases	71,483	-	-	-	71,483	Allocated based on % of salaries in each category.		
214	Acquisition Mortgage Principal & Interest	-	-	-	-	-			
215	Property Appraisal Fees	-	-	-	-	-			
216	Property Taxes	378	204	13	9	152	Allocated based on % of salaries in each category.		
217	Building and Equipment Insurance	-	-	-	-	-			
221	Utilities	3,869	2,082	135	97	1,555	Allocated based on % of salaries in each category.		
222	Building Maintenance	17,424	9,374	610	436	7,004	Allocated based on % of salaries in each category.		
223	Building and Equipment Contracts	13,266	7,137	464	332	5,333	Allocated based on % of salaries in each category.		
224	Building and Equipment Supplies	1,420	764	50	35	571	Allocated based on % of salaries in each category.		
225	Equipment Leases	4,283	2,304	150	107	1,722	Allocated based on % of salaries in each category.		
226	Equipment Depreciation Expense	19,509	10,496	683	488	7,842	Allocated based on % of salaries in each category.		
227	Expendable Equipment	-	-	-	-	-			
228	Building and Equipment Miscellaneous	-	-	-	-	-			
241		-	-	-	-	-			
242	Vehicle Depreciation	-	-	-	-	-			
243	Vehicle Operating Costs	26,674	26,674	-	-	-	Allocated based on % of salaries in each category.		
		158,306	59,035	2,105	1,504	95,662			
350	Total Paid to Certified Family Homes	1,703,520	-	-	-	1,703,520	100% social work.		
352	Other Child-Related Costs, Not Provided by Certified Family Homes	-	-	-	-	-			
		1,703,520	-	-	-	1,703,520			
410	Social Worker Payroll and/or Social Worker Contract	710,071	-	-	-	710,071	Allocated based on % of salaries in each category.		
440	Direct Care Contracts	72,369	-	-	-	72,369	Allocated based on % of salaries in each category.		
		782,440	-	-	-	782,440			
500	TOTAL EXPENSES	\$ 3,856,165	\$ 1,065,146	\$ 102,090	\$ 48,699	\$ 2,640,230			

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