

EL NIDO FAMILY CENTERS

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

EL NIDO FAMILY CENTERS

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

**AUDIT
AND
ASSURANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
El Nido Family Centers

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of El Nido Family Centers (a nonprofit organization) (El Nido), which comprise the statements of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of El Nido as of June 30, 2023, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

To the Board of Directors
El Nido Family Centers

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Report on Summarized Comparative Information

We have previously audited El Nido's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

To the Board of Directors
El Nido Family Centers

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of 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), is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 March 27, 2024 on our consideration of El Nido's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of El Nido's 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 El Nido's internal control over financial reporting and compliance.

Green Hasson & Janks LLP

March 27, 2024
Los Angeles, California

EL NIDO FAMILY CENTERS

STATEMENT OF FINANCIAL POSITION Year Ended June 30, 2023 With Summarized Totals at June 30, 2022

ASSETS	2023			2022 Total
	Without Restrictions	With Donor Restrictions	Total	
CURRENT ASSETS:				
Cash	\$ 438,880	\$ -	\$ 438,880	\$ 48,645
Restricted Cash	135,537	-	135,537	223,521
Investments	2,013,206	552,787	2,565,993	2,366,777
Accounts Receivable	2,636,290	-	2,636,290	3,040,181
Contributions and Pledges Receivable	-	242,813	242,813	222,761
Prepaid Expenses	102,241	-	102,241	107,724
TOTAL CURRENT ASSETS	5,326,154	795,600	6,121,754	6,009,609
OTHER ASSETS:				
Investments - Endowment	-	111,146	111,146	111,146
Property and Equipment (Net)	19,804	-	19,804	16,204
Right-of-Use Assets	423,317	-	423,317	-
TOTAL OTHER ASSETS	443,121	111,146	554,267	127,350
TOTAL ASSETS	\$ 5,769,275	\$ 906,746	\$ 6,676,021	\$ 6,136,959
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts Payable	\$ 604,345	\$ -	\$ 604,345	\$ 451,422
Accrued Liabilities	978,437	-	978,437	1,533,627
Deferred Revenue	281,381	-	281,381	72,293
Current Lease Liabilities	353,505	-	353,505	0
TOTAL CURRENT LIABILITIES	2,217,668	-	2,217,668	2,057,342
OTHER LIABILITIES:				
Accrued Pension Liability (Net)	559,963	-	559,963	717,824
Long-Term Lease Liabilities	76,972	-	76,972	-
TOTAL LIABILITIES	2,854,603	-	2,854,603	2,775,166
NET ASSETS:				
Without Donor Restrictions	2,914,672	-	2,914,672	2,503,367
With Donor Restrictions	-	906,746	906,746	858,426
TOTAL NET ASSETS	2,914,672	906,746	3,821,418	3,361,793
TOTAL LIABILITIES AND NET ASSETS	\$ 5,769,275	\$ 906,746	\$ 6,676,021	\$ 6,136,959

The Accompanying Notes are an Integral Part of These Financial Statements

EL NIDO FAMILY CENTERS

STATEMENT OF ACTIVITIES Year Ended June 30, 2023

With Summarized Totals for the Year Ended June 30, 2022

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT:				
Government Contracts (Including First 5 LA)	\$ 11,305,956	\$ -	\$ 11,305,956	\$ 12,223,809
Contributions	364,317	729,081	1,093,398	1,514,326
Investment Return (Net)	181,367	7,856	189,223	(301,409)
Special Events (Net of Direct Event Expenses of \$195,503)	194,404	-	194,404	147,350
In-Kind Contributions	242,758	-	242,758	155,905
Other Income	601,651	-	601,651	490
Net Assets Released from Donor Restrictions	688,617	(688,617)	-	-
TOTAL REVENUE AND SUPPORT	13,579,070	48,320	13,627,390	13,740,471
EXPENSES:				
Program Services	11,217,994	-	11,217,994	12,103,869
Support Services	2,090,100	-	2,090,100	1,771,065
TOTAL EXPENSES	13,308,094	-	13,308,094	13,874,934
OPERATING INCOME (LOSS)	270,976	48,320	319,296	(134,463)
CHANGE IN NET ASSETS BEFORE PENSION COST	270,976	48,320	319,296	(134,463)
Pension-Related Change	140,329	-	140,329	(679,929)
CHANGE IN NET ASSETS	411,305	48,320	459,625	(814,392)
Net Assets - Beginning of Year	2,503,367	858,426	3,361,793	4,176,185
NET ASSETS - END OF YEAR	\$ 2,914,672	\$ 906,746	\$ 3,821,418	\$ 3,361,793

The Accompanying Notes are an Integral Part of These Financial Statements

EL NIDO FAMILY CENTERS

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022

	2023										2022 Total
	Program Services					Support Services					
	Child Abuse Prevention and Treatment	Parent Education and Family Development	Teen Parent Family Services	Youth Development	Total Program Services	Administrative	Fundraising	Total Support Services	Total		
Salaries	\$ 396,331	\$ 2,354,939	\$ 2,517,984	\$ 477,127	\$ 5,746,381	\$ 915,057	\$ 270,293	\$ 1,185,350	\$ 6,931,731	\$ 7,332,011	
Employee Benefits	41,082	281,214	330,501	67,781	720,578	180,970	28,137	209,107	929,685	915,051	
Payroll Taxes	28,882	174,383	185,982	35,316	424,563	65,861	18,443	84,304	508,867	541,311	
TOTAL PERSONNEL COSTS	466,295	2,810,536	3,034,467	580,224	6,891,522	1,161,888	316,873	1,478,761	8,370,283	8,788,373	
Subcontractors and Interns	121,400	240,002	1,035,508	8,000	1,404,910	17,599	-	17,599	1,422,509	1,565,504	
Client Expenses	828	534,651	81,333	47,412	664,224	-	110,946	110,946	775,170	1,106,127	
Occupancy	38,446	208,934	237,686	299	485,365	67,409	1,003	68,412	553,777	546,940	
In-Kind Expenses	-	242,758	-	-	242,758	-	-	-	242,758	155,905	
Building Maintenance	5,098	250,612	36,550	29,026	321,286	7,665	100	7,765	329,051	261,540	
Professional Fees	30,472	33,835	37,602	4,785	106,694	28,050	160,719	188,769	295,463	240,803	
Equipment Maintenance	19,817	67,414	68,516	15,813	171,560	54,961	9,438	64,399	235,959	262,243	
Staff Training and Meetings	325	132,430	73,462	4,311	210,528	23,926	-	23,926	234,454	157,617	
Supplies	2,789	84,315	71,415	14,126	172,645	20,155	1,542	21,697	194,342	161,647	
Telecommunications	5,041	49,213	68,916	10,056	133,226	15,544	1,135	16,679	149,905	139,485	
Equipment	137	40,273	39,880	13,997	94,287	17,282	978	18,260	112,547	92,212	
Travel and Auto Expenses	882	64,144	19,802	11,076	95,904	3,367	-	3,367	99,271	59,623	
Insurance	3,327	26,453	28,772	5,354	63,906	14,926	1,722	16,648	80,554	80,422	
Bank, Investment and Payroll Services	2,007	15,092	17,193	3,045	37,337	9,255	8,419	17,674	55,011	65,611	
Temporary Employment Services	-	50,495	-	-	50,495	2,159	-	2,159	52,654	29,553	
Membership Dues and Subscriptions	-	21,463	13,006	150	34,619	3,675	1,709	5,384	40,003	56,425	
Other	65	814	1,497	148	2,524	21,127	704	21,831	24,355	74,873	
Staff Recruitment	1,651	11,107	7,414	2,535	22,707	1,010	-	1,010	23,717	16,990	
Postage	142	3,275	2,820	844	7,081	3,549	343	3,892	10,973	10,961	
TOTAL BEFORE DEPRECIATION	698,722	4,887,816	4,875,839	751,201	11,213,578	1,473,547	615,631	2,089,178	13,302,756	13,872,854	
Depreciation	272	1,950	1,901	293	4,416	606	316	922	5,338	2,080	
TOTAL 2023 FUNCTIONAL EXPENSES	<u>\$ 698,994</u>	<u>\$ 4,889,766</u>	<u>\$ 4,877,740</u>	<u>\$ 751,494</u>	<u>\$ 11,217,994</u>	<u>\$ 1,474,153</u>	<u>\$ 615,947</u>	<u>\$ 2,090,100</u>	<u>\$ 13,308,094</u>		
					84%	11%	5%	16%	100%		
TOTAL 2022 FUNCTIONAL EXPENSES	<u>\$ 565,345</u>	<u>\$ 5,393,660</u>	<u>\$ 5,393,214</u>	<u>\$ 751,650</u>	<u>\$ 12,103,869</u>	<u>\$ 1,271,141</u>	<u>\$ 499,924</u>	<u>\$ 1,771,065</u>		<u>\$ 13,874,934</u>	
					87%	9%	4%	13%		100%	

The Accompanying Notes are an Integral Part of These Financial Statements

EL NIDO FAMILY CENTERS

STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

With Summarized Totals for the Year Ended June 30, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 459,625	\$ (814,392)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	5,338	2,080
Net Realized and Unrealized (Gains) Losses on Investments	(116,572)	398,970
(Increase) Decrease in:		
Accounts Receivable	403,891	(102,674)
Contributions and Pledges Receivable	(20,052)	96,152
Prepaid Expenses	5,483	(17,002)
Amortization of Right-of-Use Assets	372,606	-
Increase (Decrease) in:		
Accounts Payable	152,923	37,759
Accrued Liabilities	(555,190)	(184,207)
Deferred Revenue	209,088	72,293
Accrued Pension Liability	(157,861)	646,445
Lease Liabilities	(365,446)	-
	393,833	135,424
NET CASH PROVIDED BY OPERATING ACTIVITIES	393,833	135,424
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	(8,938)	(15,800)
Reinvested Interest and Dividends	(72,651)	(97,560)
Proceeds on Sale of Investments	586,980	825,636
Purchases of Investments	(596,973)	(835,475)
	(91,582)	(123,199)
NET CASH USED IN INVESTING ACTIVITIES	(91,582)	(123,199)
NET INCREASE IN CASH	302,251	12,225
Cash and Restricted Cash - Beginning of Year	272,166	259,941
CASH AND RESTRICTED CASH - END OF YEAR	\$ 574,417	\$ 272,166
Cash	\$ 438,880	\$ 48,645
Restricted Cash	135,537	223,521
TOTAL CASH AND RESTRICTED CASH	\$ 574,417	\$ 272,166
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Non-Cash Impact of Implementation of Accounting Standards Codification (ASC) 842, <i>Leases</i>		
Increase in Right-of-Use Assets	\$ 795,923	\$ -
Increase in Lease Liabilities	(795,923)	-

The Accompanying Notes are an Integral Part of These Financial Statements

EL NIDO FAMILY CENTERS

NOTES TO FINANCIAL STATEMENTS June 30, 2023

NOTE 1 - ORGANIZATION

El Nido Family Centers (El Nido) was established in 1925 and incorporated as a not-for-profit organization in the State of California in 1954. Concerned with the welfare of children and youth, El Nido provides counseling, family life education and service coordination to children, adolescents and families in the most disadvantaged communities throughout Los Angeles County. Since 1925, El Nido has worked to help make families stronger so they can have healthier, more productive futures.

El Nido serves pregnant teenagers and young parents, families or individuals affected by child abuse, youth facing problems in school, at home or with the law, and parents struggling to raise their children.

El Nido operates four major program areas:

- **Child Abuse Prevention and Treatment.** This program area focuses on abused children in an effort to reduce trauma and symptoms and heal emotional wounds. It also focuses on the family to prevent the causes of abusive behavior and enhance family functioning.
- **Parent Education and Family Development.** Programs in this area are designed to increase parenting skills and knowledge and improve the quality of parent-child relations.
- **Teen Parent Family Services.** This program area offers a variety of services to pregnant or parenting adolescents and their babies and helps young children develop cognitively and behaviorally so they will be successful in school as well as in life in general.
- **Youth Development.** This program area provides counseling, education and social activities in an attempt to reduce the incidence of teenage pregnancy, juvenile crime and gang violence among youth by strengthening their support networks including his or her family, school and community.

El Nido receives funds from federal, state, local and private funding sources.

EL NIDO FAMILY CENTERS

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

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

(b) 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.
- **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.

(c) CASH AND RESTRICTED CASH

Cash consists of cash on deposit with banks. The carrying value of cash at June 30, 2023 approximates its fair value.

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

Restricted cash includes funds required to be set aside for an unemployment reserve and a workers' compensation self-insurance reserve. The restricted cash balance at June 30, 2023 is \$135,537.

EL NIDO FAMILY CENTERS

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) INVESTMENTS

Investments in equity and debt securities with readily determinable market values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Interest and dividend income is recorded when earned.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to 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 statement of financial position.

Investments are made according to the investment policies adopted by El Nido's Board of Directors. These guidelines provide for investments in equities, fixed income, and other securities with performance measured against appropriate indices. The investments are managed by outside investment managers contracted by El Nido.

(e) ACCOUNTS RECEIVABLE

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, 2023, no allowance for doubtful accounts was considered necessary.

EL NIDO FAMILY CENTERS

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) CONTRIBUTIONS AND PLEDGES RECEIVABLE

El Nido 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. Conditional contributions or intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are met. There were no conditional contributions at June 30, 2023. Pledges receivable at June 30, 2023 are due in their entirety within one year. El Nido evaluated the collectability of pledges receivable at June 30, 2023 and determined that no allowance for doubtful pledges was needed.

(g) PROPERTY AND EQUIPMENT

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

Leasehold Improvements	Lease Term
Office Equipment	5 Years
Computer Equipment	3 - 5 Years

Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five thousand dollars and the useful life is greater than three years.

(h) LONG-LIVED ASSETS

El Nido reviews long-lived assets for 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 on long-lived assets during the year ended June 30, 2023.

EL NIDO FAMILY CENTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

El Nido recognizes and measures its leases in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases*. El Nido is a lessee in certain operating leases for facilities. El Nido determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. El Nido recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise El Nido uses the risk-free rate. The implicit rates of El Nido's leases are not readily determinable and accordingly, El Nido used the risk-free rate based on the information available at the commencement date for all leases.

The ROU asset is subsequently measured throughout the lease term at the amount of the re-measured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

El Nido has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that El Nido is reasonably certain to exercise. El Nido recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

(j) GOVERNMENT GRANTS AND CONTRACTS AND DEFERRED REVENUE

El Nido recognizes government contracts and grants as either contributions or exchange transaction revenues, depending on whether the transaction is reciprocal or nonreciprocal. During the year ended June 30, 2023, all government contracts and grants are accounted for as contributions. A portion of El Nido's revenue is derived from nonreciprocal cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures up to an amount not to exceed the total contract authorized. Revenue based on units of service delivered contracts is recognized as units of service delivered. Amounts received are recognized as revenue when El Nido has incurred expenditures or met other service requirements in compliance with a specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. At June 30, 2023, deferred revenue was \$281,381.

EL NIDO FAMILY CENTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) SPECIAL EVENT REVENUE

El Nido holds special events throughout the year that require attendees to pay for tickets in advance. Revenues from special event sponsorships and ticket sales are presumed to be conditioned on the special event occurrence and are recognized when the event takes place.

(l) CONCENTRATIONS

During the year ended June 30, 2023, El Nido earned \$4,279,460 (31% of total revenue and support) under contracts administered by the U.S. Department of Health and Human Services. El Nido anticipates that it will continue to run these programs. There can be no assurance that El Nido will be able to obtain future grant agreements at the same level of funding upon the expiration of the current term of the contracts.

The primary accounts receivable balance outstanding at June 30, 2023, consists of government contract receivables due from county, state, and federal granting agencies, and, as a result, concentration of credit risk with respect to such accounts receivable is limited.

(m) IN-KIND CONTRIBUTIONS

Contributions of donated non-cash assets are recorded at their estimated fair value in the period received and expensed when utilized. In-kind contributions are valued based upon estimates of fair market value that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Contributed non-financial assets are not sold but rather used for El Nido's operations.

In-kind contributions that consist of donated services are recognized at fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

(n) INCOME TAXES

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

In accordance with the FASB's ASC Topic No. 740, *Uncertainty in Income Taxes*, El Nido recognizes the impact of tax positions in the 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, 2023, El Nido performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

EL NIDO FAMILY CENTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing El Nido's programs and other activities have been presented in the 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 support services by a method that best measures the relative degree of benefit. El Nido uses proportional salary dollars to allocate indirect costs.

(p) USE OF ESTIMATES

The preparation of 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. Actual results could differ from those estimates.

(q) COMPARATIVE TOTALS

The 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 El Nido's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

(r) NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, intended to improve financial reporting about leasing transactions. The new standard requires organizations that lease assets with terms of more than 12 months to recognize on the statements of financial position, the assets and liabilities for the rights and obligations created by those leases. The ASU also requires 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, providing additional information about the amounts recorded in the financial statements. The ASU is effective for fiscal years beginning after December 15, 2021.

EL NIDO FAMILY CENTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) NEW ACCOUNTING PRONOUNCEMENTS (continued)

El Nido adopted the ASU with a date of the initial application of July 1, 2022, using the optional transition method, which allows entities to continue to apply historical accounting guidance in the comparative periods presented in the year of adoption. El Nido elected to apply the following package of practical expedients on a consistent basis permitting entities not to reassess: (i) whether any expired or existing contracts are or contain a lease; (ii) lease classification for any expired or existing leases and (iii) whether initial direct costs for any expired or existing leases qualify for capitalization under the amended guidance.

The impact of adopting the amended guidance primarily relates to the recognition of ROU assets and lease liabilities on the statement of financial position for all leases previously classified as operating leases. El Nido recognized ROU assets of \$795,923 and \$795,923 of related lease liabilities as of July 1, 2022, for contracts that are classified as operating leases. Leases with an initial term of 12 months or less have not been recorded on the statement of financial position. Refer to Notes 2 (i) and 9 for disclosures related to El Nido's accounting for leases.

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss impairment methodology previously used for certain financial instruments with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates in their measurement. The guidance has subsequently been amended through a series of targeted ASUs. For El Nido, the ASU and the subsequent amendments will be effective for the year ending June 30, 2024, and are expected to be adopted using the modified-retrospective approach.

(s) SUBSEQUENT EVENTS

El Nido has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2023 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through March 27, 2024, the date these financial statements were available to be issued. Except for as described in Note 7, no other such material events or transactions were noted to have occurred.

EL NIDO FAMILY CENTERS

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

El Nido has implemented the fair value accounting standard. 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.

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 in active markets, interest rates and yield curves. Fair values determined by Level 3 utilize unobservable inputs 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 El Nido's assets that are measured at fair value on a recurring basis at June 30, 2023 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2023	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)
Cash Equivalents	\$ 14,122	\$ 14,122	\$ -	\$ -
Exchange Traded Funds	859,306	859,306	-	-
Fixed Income Mutual Funds	928,495	928,495	-	-
Equity Mutual Funds	875,216	875,216	-	-
TOTAL INVESTMENTS	\$ 2,677,139	\$ 2,677,139	\$ -	\$ -

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

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2023 consist of the following:

Leasehold Improvements	\$ 261,684
Office Equipment	91,853
Computer Equipment	40,658
TOTAL	394,195
Less: Accumulated Depreciation	(374,391)
PROPERTY AND EQUIPMENT (NET)	\$ 19,804

Depreciation expense for the year ended June 30, 2023 was \$5,338.

EL NIDO FAMILY CENTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2023 consist of the following:

Other Accrued Expenses	\$ 456,856
Accrued Subcontractor Expenses	225,000
Accrued Vacation	160,397
Government Contract Reserve	<u>136,184</u>
TOTAL ACCRUED LIABILITIES	<u>\$ 978,437</u>

NOTE 6 - EMPLOYEE BENEFIT PLANS

El Nido has a defined benefit plan (the plan) that covers all eligible employees of El Nido who have completed twelve consecutive months with one thousand or more hours of service. The plan is funded in accordance with the Employee Retirement Income Security Act of 1974. Plan assets, which include a combination of cash and cash equivalents, certificates of deposit, U.S. Government securities, corporate debt instruments and corporate stocks are held by a trustee and are not accessible for non-pension purposes.

During the year ended June 30, 2005, there was a plan curtailment as a result of the plan amendment adopted effective July 1, 2004. El Nido's management, with the approval of the Board of Directors, agreed to cease further benefit accruals under the plan.

The changes in the postretirement healthcare benefit obligation, plan assets and the amounts recognized in the financial statements are as follows:

Accrued Postretirement Benefit Obligation at July 1, 2022	\$ 3,105,938
Interest Cost	138,710
Assumption Changes	(146,473)
Actuarial Loss	21,150
Benefits Paid	<u>(298,741)</u>
ACCRUED POSTRETIREMENT BENEFIT OBLIGATION AT JUNE 30, 2023	<u>\$ 2,820,584</u>
Fair Value of Plan Assets at July 1, 2022	\$ 2,388,114
Actual Return on Plan Assets	140,041
Employer Contribution	31,207
Benefits Paid	<u>(298,741)</u>
FAIR VALUE OF PLAN ASSETS AT JUNE 30, 2023	<u>\$ 2,260,621</u>

EL NIDO FAMILY CENTERS

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 6 - EMPLOYEE BENEFIT PLANS (continued)

The following table sets forth the plan's funded status and amounts recognized in El Nido's statement of financial position at June 30, 2023:

ACTUARIAL PRESENT VALUE OF BENEFIT OBLIGATION:	
Accumulated Benefit Obligation	\$ 2,820,584
Plan Assets at Fair Value	\$ 2,260,621
Projected Benefit Obligation	(2,820,584)
ACCRUED PENSION LIABILITY	\$ (559,963)

The net periodic pension cost for the year ended June 30, 2023 includes the following components:

Interest Cost	\$ 138,710
Expected Return on Plan Assets	(189,420)
Amortization of Transition Obligations	8,841
Settlement Expense	36,732
Amortization of (Gain) Loss	64,616
NET PERIODIC PENSION COST	\$ 59,479
Employer Contributions	\$ 31,207
Benefits Paid	298,741
Weighted Average Assumptions:	
Discount Rates:	
Pre-Retirement	4.92%
Post-Retirement	4.48%
Expected Return on Plan Assets	8.00%
Rate of Compensation Increase	5.00%

The pension-related change of (\$140,329), which excludes the net periodic pension cost above, is reflected as a separate line item in the statement of activities.

The expected long-term rate of return on plan assets was selected using the "building block" approach described by the Actuarial Standards Board in Actuarial Standard of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. Based on El Nido's investment policy for the pension plan, a best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on historical thirty-year-period rolling averages.

EL NIDO FAMILY CENTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 - EMPLOYEE BENEFIT PLANS (continued)

Benefits expected to be paid as of June 30, 2023 are:

Years Ending June 30

2024	\$	17,560
2025		181,053
2026		190,799
2027		194,825
2028		199,127
Five Years Thereafter		1,012,810

Plan assets consist primarily of listed securities and the percentage of the fair value of total plan assets of each major category of plan assets at the measurement date are as follows:

	Fair Value Measurements Using			
	Year Ended June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed Income Mutual Funds	\$ 816,266	\$ 816,266	\$ -	\$ -
Equity Mutual Funds	718,070	718,070	-	-
Exchange Traded Funds	717,197	717,197	-	-
Cash Equivalents	9,088	9,088	-	-
TOTAL INVESTMENTS	\$ 2,260,621	\$ 2,260,621	\$ -	\$ -

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

The investment strategy of El Nido has the following objectives:

- To achieve a balanced return of current income and appropriate growth of principal.
- To achieve returns in excess of the rate of inflation plus spending over the investment horizon in order to preserve the purchasing power of plan assets.
- To preserve capital and minimize costs.

Risk control is an important element in the investment of plan assets and is achieved through a diversified target allocation and the prohibition of investing in commodities and futures contracts, derivative instruments, private placements, options, limited partnerships, and venture-capital investments. In addition, short selling and margin transactions are prohibited.

EL NIDO FAMILY CENTERS

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 6 - EMPLOYEE BENEFIT PLANS (continued)

401(k) Retirement Plan

El Nido sponsors a 401(k) retirement plan for the benefit of its employees who are at least 18 years of age. Employees may contribute a percentage of their compensation to the plan up to the maximum permitted under law. El Nido contributes to the plan on a discretionary basis, and such employer contributions are subject to the plan's vesting rules. El Nido did not contribute to the plan during the year ended June 30, 2023.

NOTE 7 - LINE OF CREDIT

El Nido has a revolving line of credit with a bank in the amount of \$1,000,000 that bears a maturity date of July 31, 2024. An amendment to extend the maturity date to July 31, 2024 and increase the interest rate floor from 6% to 8.25% was agreed upon subsequent to year end. The line of credit is secured by personal property and bears interest at the greater of a floating rate equal to prime plus 1% or 8.25%. At June 30, 2023, there was no outstanding borrowings on this line of credit. The prime rate at June 30, 2023 was 8.25%.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

(a) CONTRACTS

El Nido's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. 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. El Nido has established a reserve of \$136,184 related to state and local government contracts that is included in accrued liabilities. Except as mentioned, El Nido has no other provisions on its financial statements for the possible disallowance of program costs related to any of its other governmental contracts and grants.

(b) LEGAL PROCEEDINGS

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

EL NIDO FAMILY CENTERS

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9 - LEASES

El Nido leases certain facilities under various non-cancelable operating leases for operations and administrative purposes, which are accounted for as operating leases. These leases expire at various dates through March 2025. Some of El Nido's leases have one or more options to renew, with renewal terms generally ranging from 1 to 4 years. The exercise of lease renewal options is at El Nido's discretion. Leases with an initial term of 12 months or less, which are not expected to be renewed beyond one year, are not recorded on the statement of financial position and are recognized as lease expense on a straight-line basis over the lease term. As of June 30, 2023, El Nido recognized \$423,317 of ROU assets and \$430,477 of related lease liabilities for contracts that are classified as operating leases.

Operating lease cost was \$386,213 for the year ended June 30, 2023.

The weighted-average remaining lease term and weighted-average discount rate were as follows during the year ended:

Weighted-Average Lease Term	1.13 years
Weighted-Average Discount Rate	3.33%

Maturities of lease liabilities as of June 30, 2023, are as follows:

Years Ending June 30	
2024	\$ 360,691
2025	<u>78,016</u>
Total Lease Payments	438,707
Less: Imputed Interest	<u>(8,230)</u>
TOTAL LEASE LIABILITIES	<u><u>\$ 430,477</u></u>

EL NIDO FAMILY CENTERS

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2023 are restricted for the following purposes:

Subject to Time Restrictions	\$	106,944
Subject to Purpose Restrictions:		
Culinary		303,021
Parental Counseling/Training		252,722
Technology and Education		127,913
Other		5,000
Subject to Endowment Spending Policy and Appropriation:		
Endowment Corpus		<u>111,146</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$	<u>906,746</u>

NOTE 11 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

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, 2023:

Satisfaction of Purpose Restrictions:		
Time Restrictions	\$	261,670
Technology and Education		123,585
Other		112,301
Parental Counseling/Training		92,278
Family Service Centers		60,000
Scholarship		30,927
Endowment		<u>7,856</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$	<u>688,617</u>

EL NIDO FAMILY CENTERS

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 12 - ENDOWMENTS

El Nido's endowment consists of donor restricted funds which are restricted in perpetuity. They comprise the corpus of the Payson Wolff Scholarship Fund. Income from these funds is used to underwrite scholarships to El Nido clients who are graduating from high school and are pursuing higher education.

El Nido'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 such endowments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity.

The primary long-term financial objective for El Nido's endowments is to preserve the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation and costs of portfolio management.

Endowment net asset composition by type of fund at June 30, 2023 is as follows:

Endowment Net Asset Composition by Type of Fund at June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted	\$ -	\$ 111,146	\$ 111,146
Changes in Endowment Net Assets for the Year Ended June 30, 2023			
Endowment Net Assets - Beginning of Year	\$ -	\$ 111,146	\$ 111,146
Investment Return (Net)	-	7,856	7,856
Appropriated for Expenditure	-	(7,856)	(7,856)
ENDOWMENT NET ASSETS - END OF YEAR	\$ -	\$ 111,146	\$ 111,146

EL NIDO FAMILY CENTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 13 - IN-KIND CONTRIBUTIONS

El Nido receives donated goods and services for use in its programs and operations. The values of these contributions have been determined by management based on the market value for comparable goods or services, average costs for similar goods or services based on national averages, property appraisals and other means deemed appropriate based on the nature and use of the contributions.

For the year ended June 30, 2023, in-kind contributions were used in Parent Education and Family Development program services and were comprised of the following:

Category	Valuation Methodology	Amount
Program Supplies	Estimated Market Value of Similar items	\$ 173,163
Professional Services	Standard Hourly Rates for Comparable Employees	<u>69,595</u>
TOTAL		<u>\$ 242,758</u>

NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by El Nido at June 30, 2023 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

Financial Assets at June 30, 2023:	
Cash and Cash Equivalents	\$ 438,880
Investments	2,013,206
Accounts Receivable	2,636,290
Contributions and Pledges Receivable	<u>192,813</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 5,281,189</u>

El Nido regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. El Nido is substantially supported by unrestricted contributions and government grants and contracts. As part of El Nido'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.

EL NIDO FAMILY CENTERS

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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

For the purposes of the calculation above, management considers contributions and pledges restricted by time only as financial assets available for expenditure within one year.

El Nido'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 accordance with donor stipulations.

As described in Note 7, in the event of an unanticipated liquidity need, El Nido has a line of credit facility of \$1,000,000 that it may draw upon.

EL NIDO FAMILY CENTERS

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

EL NIDO FAMILY CENTERS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/Passed Through Grantor/Program or Cluster Title	Contract Number	Federal Assistance Listing Number	Contract Term	Governmental Revenue		Passed Through to Subrecipients
				Federal	Non-Federal	
FEDERAL AWARDS						
MAJOR AWARDS						
U.S. Department of Housing and Urban Development						
Pass-through City of Los Angeles Housing and Community Investment for Families Department (CIFD)						
Community Development Block Grants/Entitlement Grants	C-140294-1	14.218	7/1/2022 - 6/30/2023	\$ 355,659	\$ -	\$ -
Community Development Block Grants/Entitlement Grants	C-140292-1	14.218	7/1/2022 - 6/30/2023	428,827	-	-
Community Development Block Grants/Entitlement Grants	C-140292	14.218	3/1/2022 - 6/30/2023	208,874	-	-
Community Development Block Grants/Entitlement Grants	C-140294	14.218	3/1/2022 - 6/30/2023	233,754	-	-
Total U.S. Department of Housing and Urban Development, CDBG-Entitlement Grants Cluster				1,227,114	-	-
U.S. Department of Health and Human Services:						
Pass-through County of Los Angeles Department of Public Social Services						
Job Opportunities and Basic Skills Training						
Cal-Learn Case Management	CLC15-003	93.558	7/1/2022 - 8/31/2022	135,371	-	-
Cal-Learn Case Management	CLC22-003	93.558	9/1/2022 - 6/30/2023	679,443	-	-
Total 93.558				814,814	-	-
TOTAL MAJOR AWARDS				\$ 2,041,928	\$ -	\$ -
NON-MAJOR AWARDS						
U.S. Department of Health and Human Services:						
Administration for Children and Families						
Early Head Start	09CH010599 - 04	93.600	8/1/2021 - 7/31/2022	\$ 168,496	\$ -	\$ -
Early Head Start	09CH010599 - 05	93.600	8/1/2022 - 7/31/2023	1,864,342	-	-
Covid 19 - American Rescue Plan Head Start	09HE000664-01-01	93.600	4/1/2021 - 3/31/2023	149,089	-	-
Covid 19 - American Rescue Plan Head Start (Carry Over Fund)	09CH01059905C3	93.600	4/1/2021 - 3/31/2023	72,386	-	-
Total Head Start Cluster				2,254,313	-	-
Pass-through City of Los Angeles Housing and Community Investment for Families Department (CIFD)						
Community Services Block Grant	C-140294-1	93.569	7/1/2022 - 6/30/2023	292,894	-	39,039
Community Services Block Grant	C-140292-1	93.569	7/1/2022 - 6/30/2023	292,894	-	80,000
Community Services Block Grant	C-140292	93.569	3/1/2022 - 6/30/2023	61,362	-	-
Community Services Block Grant	C-140294	93.569	3/1/2022 - 6/30/2023	54,618	-	-
Total 93.569				701,768	-	119,039
Pass-through - State of California						
Department of Public Health						
Maternal, Child and Adolescent Health						
Adolescent Family Life Program	20-10578	93.994	7/1/2022 - 6/30/2023	508,565	-	-
Total U.S. Department of Health and Human Services				4,279,460	-	119,039
TOTAL FEDERAL AWARDS				\$ 5,506,574	\$ -	\$ 119,039

See Independent Auditor's Report

EL NIDO FAMILY CENTERS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2023

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2023:

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of El Nido under programs of the Federal government for the year ended June 30, 2023. 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 El Nido, it is not intended to and does not present the financial position, changes in net assets, or cash flows of El Nido.

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, 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

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

See Independent Auditor's Report