

**VOICES FOR CHILDREN
FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION**

	<u>Pages</u>	
I	Index	1
II	Independent auditor's report	2 – 4
III	Statements of financial position	5
IV	Statements of activities and changes in net assets	6 – 7
V	Statements of functional expenses	8 – 9
VI	Statements of cash flows	10
VII	Notes to the financial statements	11 – 24
VIII	Schedule of expenditures of federal awards	25 – 27
IX	Notes to the schedule of expenditures of federal awards	28
X	Schedule of findings and questioned costs	29
XI	Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	30 – 31
XII	Independent auditor's report on compliance for the major program and internal control over compliance required by the Uniform Guidance	32 – 34

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Voices For Children
A Nonprofit Organization

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Voices For Children, a nonprofit organization, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 Voices For Children as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 (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 Voices For Children and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Voices For Children's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 Voices For Children'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 Voices For Children'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.

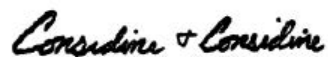
Supplementary Information

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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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 GAAS. In our opinion, the schedule of expenditures of federal awards 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 December 18, 2025 on our consideration of Voices For Children'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 Voices For Children'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 Voices For Children's internal control over financial reporting and compliance.



CONSIDINE & CONSIDINE
An accountancy corporation

December 18, 2025

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

Page 5

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash (note 3)	\$ 4,154,891	\$ 6,684,995
Investments (note 4)	8,492,085	5,392,776
Pledges receivable (note 5)	734,775	944,167
Grants receivable (note 6)	284,726	345,116
Prepaid expenses	259,538	183,216
	13,926,015	13,550,270
PROPERTY AND EQUIPMENT (NOTE 8)	330,056	385,504
OTHER ASSETS		
Pledges receivable - long term (note 5)	-	673,077
Rent deposit	37,404	37,404
Operating lease right-of-use asset (note 13)	1,685,221	1,864,952
	1,722,625	2,575,433
TOTAL ASSETS	15,978,696	16,511,207
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued expenses (note 9)	662,072	625,198
Deferred revenue	969,016	1,415,623
Operating lease liability (note 13)	315,997	223,596
	1,947,085	2,264,417
LONG-TERM LIABILITIES		
Operating lease liability - long-term (note 13)	1,390,195	1,569,226
TOTAL LIABILITIES	3,337,280	3,833,643
NET ASSETS (NOTE 15)		
Without donor restrictions	11,645,968	10,930,133
With donor restrictions	995,448	1,747,431
TOTAL NET ASSETS	12,641,416	12,677,564
TOTAL LIABILITIES AND NET ASSETS	\$ 15,978,696	\$ 16,511,207

See accompanying notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

Page 6

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUE			
Gifts and contributions	\$ 3,814,202	\$ 61,600	\$ 3,875,802
Special events, net (note 12)			
(Less: direct benefit to donors of \$230,949)	1,520,817	-	1,520,817
Government funding	3,141,835	-	3,141,835
Contributed goods, services, and facilities	49,860	-	49,860
Investment return (note 4)	884,020	26,729	910,749
	<u>9,410,734</u>	<u>88,329</u>	<u>9,499,063</u>
TOTAL REVENUE			
NET ASSETS RELEASED FROM RESTRICTION			
Satisfaction of program restrictions	840,312	(840,312)	-
OPERATING EXPENSES			
Program services	6,973,079	-	6,973,079
Management and general	806,529	-	806,529
Fundraising	1,755,603	-	1,755,603
	<u>9,535,211</u>	<u>-</u>	<u>9,535,211</u>
CHANGE IN NET ASSETS	715,835	(751,983)	(36,148)
NET ASSETS, BEGINNING	<u>10,930,133</u>	<u>1,747,431</u>	<u>12,677,564</u>
NET ASSETS, ENDING	<u>\$ 11,645,968</u>	<u>\$ 995,448</u>	<u>\$ 12,641,416</u>

See accompanying notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

Page 7

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE			
Gifts and contributions	\$ 3,489,255	\$ 109,890	\$ 3,599,145
Special events, net (note 12)			
(Less: direct benefit to donors of \$210,619)	2,280,579	-	2,280,579
Government funding	3,223,087	-	3,223,087
Contributed goods, services, and facilities	65,297	-	65,297
Investment return (note 4)	516,973	26,453	543,426
TOTAL REVENUE	9,575,191	136,343	9,711,534
NET ASSETS RELEASED FROM RESTRICTION			
Satisfaction of program restrictions	704,175	(704,175)	-
OPERATING EXPENSES			
Program services	6,405,437	-	6,405,437
Management and general	780,847	-	780,847
Fundraising	1,492,690	-	1,492,690
	8,678,974	-	8,678,974
CHANGE IN NET ASSETS	1,600,392	(567,832)	1,032,560
NET ASSETS, BEGINNING	9,329,741	2,315,263	11,645,004
NET ASSETS, ENDING	\$ 10,930,133	\$ 1,747,431	\$ 12,677,564

See accompanying notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

Page 8

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
EXPENSES				
Operating				
Children's assistance fund	\$ 63,567	\$ -	\$ -	\$ 63,567
Credit card fees	-	-	29,251	29,251
Dues and subscriptions	68,960	24,253	35,312	128,525
Employee benefits	480,094	80,708	91,140	651,942
Equipment and maintenance	49,631	240	1,294	51,165
Insurance	138,433	-	-	138,433
Leasing costs (note 13)	355,854	23,276	40,733	419,863
Marketing	449,519	-	-	449,519
Materials	19,453	1,920	600	21,973
Mileage and meals	174,127	5,273	6,741	186,141
Office supplies	21,579	869	889	23,337
Payroll taxes	342,892	41,207	71,177	455,276
Printing	9,391	-	53	9,444
Postage	7,995	83	308	8,386
Professional services	50,314	34,500	26,311	111,125
Salaries	4,518,466	577,616	1,098,416	6,194,498
Staff development	1,000	99	31	1,130
Telephone	64,541	6,053	8,533	79,127
Utilities	31,403	2,436	4,263	38,102
Workers' compensation	19,699	2,518	4,788	27,005
Special Events				
Catering and site rental	-	-	397,102	397,102
Other event costs	-	-	38,399	38,399
Outside services	-	-	105,769	105,769
Printing	-	-	15,856	15,856
In-Kind Donations				
Event tickets	12,883	-	-	12,883
Supplies	11,679	-	-	11,679
TOTAL EXPENSES				
BEFORE DEPRECIATION	6,891,480	801,051	1,976,966	9,669,497
Depreciation	81,599	5,478	9,586	96,663
TOTAL EXPENSES	6,973,079	806,529	1,986,552	9,766,160
Less: Direct benefits to donors at special events included in revenue	-	-	(230,949)	(230,949)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	<u>\$ 6,973,079</u>	<u>\$ 806,529</u>	<u>\$ 1,755,603</u>	<u>\$ 9,535,211</u>

See accompanying notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

Page 9

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
EXPENSES				
Operating				
Children's assistance fund	\$ 62,716	\$ -	\$ -	\$ 62,716
Credit card fees	-	-	30,376	30,376
Dues and subscriptions	62,237	33,739	22,541	118,517
Employee benefits	415,048	72,398	79,347	566,793
Equipment and maintenance	55,000	386	1,141	56,527
Insurance	83,525	-	-	83,525
Leasing costs (note 13)	353,202	20,594	36,040	409,836
Marketing	236,061	-	-	236,061
Materials	32,887	4,150	3,425	40,462
Mileage and meals	149,611	6,685	6,490	162,786
Office supplies	37,255	969	1,180	39,404
Payroll taxes	323,940	39,703	68,115	431,758
Printing	8,649	54	1,090	9,793
Postage	10,309	148	1,416	11,873
Professional services	18,305	32,000	10,498	60,803
Salaries	4,349,949	556,578	922,212	5,828,739
Telephone	57,500	4,755	7,000	69,255
Utilities	27,801	2,504	4,382	34,687
Workers' compensation	18,370	2,352	3,900	24,622
Special Events				
Catering and site rental	-	-	334,738	334,738
Other event costs	-	-	47,243	47,243
Outside services	-	-	98,841	98,841
Printing	-	-	16,628	16,628
In-Kind Donations				
Event tickets	3,400	-	-	3,400
Supplies	32,017	-	-	32,017
TOTAL EXPENSES				
BEFORE DEPRECIATION	6,337,782	777,015	1,696,603	8,811,400
Depreciation	67,655	3,832	6,706	78,193
TOTAL EXPENSES	6,405,437	780,847	1,703,309	8,889,593
Less: Direct benefits to donors at special events included in revenue	-	-	(210,619)	(210,619)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	\$ 6,405,437	\$ 780,847	\$ 1,492,690	\$ 8,678,974

See accompanying notes

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Page 10

	2025	2024
CASH FLOWS PROVIDED/ (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ (36,148)	\$ 1,032,560
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and amortization	96,663	78,193
Net unrealized gain on investments	(616,652)	(120,354)
Donations of marketable securities included in contributions	(48,154)	(213,333)
Amortization of operating leases	93,101	5,648
Change in operating assets and liabilities:		
Pledges receivable	882,469	408,474
Grants receivable	60,390	(16,760)
Prepaid expenses	(76,322)	(23,994)
Other assets	-	(8,379)
Accrued expenses	36,874	65,649
Deferred revenue	(446,607)	466,426
	(18,238)	641,570
NET CASH PROVIDED/ (USED) BY OPERATING ACTIVITIES	(54,386)	1,674,130
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of property and equipment	(41,215)	(266,226)
Proceeds on sale of marketable securities	1,401,310	572,146
Purchase of marketable securities	(3,835,813)	(5,307,793)
	(2,475,718)	(5,001,873)
NET DECREASE IN CASH	(2,530,104)	(3,327,743)
CASH, BEGINNING OF YEAR	6,684,995	10,012,738
CASH, END OF YEAR	\$ 4,154,891	\$ 6,684,995
SUPPLEMENTAL DISCLOSURES:		
Taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

See note 13 for noncash transactions related to operating leases

See accompanying notes

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 11

NOTE 1 THE ORGANIZATION

Voices for Children (the "Organization") was founded in 1980 and incorporated as a private nonprofit organization on August 12, 1982, under Section 501(c)(3) of the Internal Revenue Code and under the laws of the State of California. The Organization operates the only Court Appointed Special Advocate (CASA) Programs in San Diego County and in Riverside County, providing critical advocacy to abused, neglected children who have been placed in the foster care system. Voices for Children recruits, trains, and supervises a large corps of volunteer CASAs, and through them transforms the lives of foster children by advocating on their behalf in the court, community, and schools. CASA volunteers undergo extensive training before being assigned to the cases of foster children. CASAs act as fact-finders for the judges, providing critical information needed to make life-altering decisions for these children. CASA volunteers get to know their court-appointed child by talking with everyone in that child's life: parents and relatives, foster parents, teachers, medical professionals, attorneys, and social workers. They use the information they gather to inform judges and others about what the child needs and they help find the best permanent home for them.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements have been prepared using the accrual method in conformity with generally accepted accounting principles.

Basis of presentation - Under accounting standards on financial statements of not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net assets without donor restrictions - Consists of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. Net assets without donor restrictions include amounts that have been designated by the Board of Directors as an endowment for the purpose of securing the Organization's long-term financial viability.

Net assets with donor restrictions - Net assets with donor restrictions consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. These net assets also include amounts that are restricted by donors that neither expire by the passage of time nor can be fulfilled or removed by actions of the Organization. Some donor-imposed restrictions are perpetual in nature, where the donor stipulates those 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.

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Page 12

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash - The Organization considers financial instruments with a fixed maturity date of less than three months to be cash equivalents.

Investments - The Organization reports its investments in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities. Investment income is recognized as revenue in the period it is earned, and gains and losses are recognized as changes in net assets in the accounting period in which they occur.

Fair Value Measurement - The Organization follows accounting standards consistent with the FASB codification which defines fair value, establishes a framework for measuring fair value, and enhances disclosures about fair value measurements for all financial assets and liabilities.

Credit losses – The Organization follows ASU 2016-13 Financial Instruments – Credit Losses (Topic 326) and all related amendments. The standard replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to trading receivables, financing receivables, held-to-maturity debt securities, and receivables relating to repurchase agreements and securities lending agreements. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases.

Property and Equipment - The Organization capitalizes property and equipment in excess of \$1,000. Property and equipment are carried at cost. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives of five to seven years. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Deferred Revenue - The Organization has received prepaid grant funds from California CASA to provide services in San Diego and Riverside counties. The Organization recognizes revenue monthly, as services are performed and costs are incurred. The Organization also receives revenues in advance of a special event that is deferred. The revenues are recognized when the event occurs.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 13

Contributions - Contributions received are considered to be without donor restrictions and available for general use unless designated by the donor for a specific purpose. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restricted contributions are recorded as unrestricted if the restrictions are satisfied during the same fiscal year that the contribution was received.

Pledges Receivable - Pledges receivable consist of unconditional promises to give and are recorded in the year the promise is made. Conditional promises are not recognized until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated cash flows. The Organization provides for probable losses on pledges receivable using the allowance method. The allowance is determined based on management's experience and collection efforts. Management has determined all pledges to be collectible at June 30, 2025 and 2024.

The discounts on pledge receivables are computed using the estimated market interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The interest rate used in computing the discount of estimated future cash flows was 4% for pledges received in 2025 and 2024.

Contributed Goods, Services and Facilities - The Organization has received substantial donations of goods, professional services, and use of facilities. These in-kind donations are valued at their fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the value of contributed services received if such services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

The In-kind Contributions consist of the following for the years ended June 30:

	2025	2024
Donated facilities	\$ 27,398	\$ 29,880
Event tickets	12,883	3,400
Other miscellaneous contributions	9,579	32,017
	\$ 49,860	\$ 65,297

An integral component of the Organization's work with foster children is its network of almost 1,000 volunteers. Many volunteers dedicate 20-25 hours or more each month to their activities with foster children and the Organization tracks their reported hours. For fiscal years ending June 30, 2025 and 2024, the combined donated hours reported by all the Organization's volunteers totaled approximately 104,000 and 99,000, respectively. The value of these hours is substantial, as the Independent Sector values similar services in California at \$40.14 and \$38.61 per hour as of 2025 and 2024, respectively, the most recent data available (the Independent Sector's volunteer value is based on the hourly earnings provided by the

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Page 14

Bureau of Labor Statistics, indexed to determine state's values, and increased by 15.7 percent estimated for fringe benefits). The Organization's volunteers are highly trained and closely supervised in their court advocacy and assessment activities; however, they do not meet the criteria under generally accepted accounting principles to be recorded as donated services.

Functional Allocation of Expenses - The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Expenditures which can be identified with a specific program or support service are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by the Organization's management.

Advertising Costs - The Organization expenses advertising costs as incurred. Advertising expense for the years ended June 30, 2025 and 2024 was \$449,519 and \$236,061, respectively, and consisted of commercial and printed advertisements to promote the mission and increase the brand awareness of the Organization. Advertising costs are classified as marketing expenses on the statement of functional expenses and are fully allocated to program services.

Leases - The Organization follows ASU 2016-02, Leases (Topic 842) and all related amendments. The new standard established a right-of-use model (ROU) that requires a lessee to recognize ROU asset and lease liability on the statement of financial position for all leases with a term longer than 12 months and disclose key information about the leasing arrangements. Options to renew a lease are only included in the lease term to the extent those options are reasonably certain to be exercised. Leases will be classified as either financing or operating. Operating lease liabilities and their corresponding ROU assets are initially recorded based on the present value of lease payments over the term of the lease. The rate implicit in the lease contracts is typically not readily determinable and, as a result, the Organization utilizes the treasury yield rate to discount the lease payments. Finance lease payments are generally those leases that allow the Organization to substantially utilize or pay for the entire asset of its estimated life. The Organization has no finance leases at June 30, 2025 and 2024.

Income Taxes - The Organization is exempt from federal and state of California income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, no provision has been made for federal income taxes in the accompanying financial statements. The Organization follows accounting standards which provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax position and believes that all of the positions taken in its exempt-organization tax returns are more likely than not to be sustained upon examination. As of June 30, 2025 and 2024, the Organization has not accrued interest or penalties related to uncertain tax positions. The Organization files tax returns in the U.S. Federal jurisdiction and the State of California.

NOTE 3 CASH

The Organization maintains its cash in two national financial institutions. Accounts at these institutions are partially insured by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2025 and 2024, the Organization had approximately \$766,000 and \$1,644,000, respectively, in excess of their insured limits

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 15

at the financial institutions. The Organization has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant credit risk with respect to its cash.

NOTE 4 INVESTMENTS

Investments consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Bond funds	\$ 1,176,774	\$ 421,503
Equity funds	832,447	566,142
Exchange traded funds	<u>6,482,864</u>	<u>4,405,131</u>
	<u>\$ 8,492,085</u>	<u>\$ 5,392,776</u>

The following schedule summarizes the investment return of the investments held by the Organization for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Net realized and unrealized gain/(loss) on investments	\$ 616,308	\$ 121,959
Interest and dividends	336,133	423,365
Less: investment fees	<u>(41,692)</u>	<u>(1,898)</u>
	<u>\$ 910,749</u>	<u>\$ 543,426</u>

The Organization maintains accounts with several stock brokerage firms which, at times, may exceed federally insured limits. Balances are insured up to \$500,000 by the Securities Investor Protection Corporation (SIPC). The Organization has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant credit risk with respect to its investments.

NOTE 5 PLEDGES RECEIVABLE

Pledges receivable consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Pledges receivable - due in less than one year	\$ 734,775	\$ 944,167
*Pledges receivable - due in excess of one year	<u>-</u>	<u>700,000</u>
	734,775	1,644,167
Less: discount	<u>-</u>	<u>(26,923)</u>
	<u>\$ 734,775</u>	<u>\$ 1,617,244</u>

*The long-term pledges receivable is due from a single donor. Management estimates this amount to be fully collectible.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 16

NOTE 6 GRANTS RECEIVABLE

Grants receivable consists of amounts due from various state agencies for the salaries of certain program employees that have been incurred. As of June 30, 2025 and 2024, amounts due from various state agencies were \$284,726 and \$345,116, respectively. An allowance for doubtful accounts is accounted for using the specific identification method and uncollectible accounts are written-off after all collection attempts have been exhausted. Management believes that all grants receivable were collectible as of June 30, 2025 and 2024, therefore no allowance for credit losses have been recorded.

NOTE 7 FAIR VALUE MEASUREMENT

The Organization follows the fair value measurement accounting standards to value its financial assets. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

The Organization uses appropriate valuation techniques based on the available inputs to measure fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which level 1 inputs were not available. Level 3 inputs are used only when level 1 or level 2 inputs are not available.

The Organization's policy is to recognize transfers of investments into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended June 30, 2025 and 2024, there were no significant transfers of investments into or out of Level 3.

The investments in mutual funds, bond funds, and exchange traded funds are valued at market prices in active markets and are classified as level 1.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 17

a different fair value measurement at the reporting date. There are no assets requiring the use of level 3 inputs for the years presented and there were no changes in the methods used to measure fair value at June 30, 2025 and 2024.

Financial assets and liabilities carried at fair value at June 30, 2025 and 2024 are classified below in one of three categories described above. The tables below present the balances of assets measured at fair value on a recurring basis.

	2025 Level 1	2025 Level 2	2025 Level 3	2025 Total
Equity funds	\$ 832,447	\$ -	\$ -	\$ 832,447
Bond funds	1,176,774	-	-	1,176,774
Exchange traded funds	6,482,864	-	-	6,482,864
	<u>\$ 8,492,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,492,085</u>
	2024 Level 1	2024 Level 2	2024 Level 3	2024 Total
Equity funds	\$ 566,142	\$ -	\$ -	\$ 566,142
Bond funds	421,503	-	-	421,503
Exchange traded funds	4,405,131	-	-	4,405,131
	<u>\$ 5,392,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,392,776</u>

NOTE 8 PROPERTY AND EQUIPMENT

Major categories of property and equipment are summarized as follows:

	Balance June 30, 2024	Additions	Disposals	Balance June 30, 2025
Office furniture and equipment	\$ 291,361	\$ 1,740	\$ -	\$ 293,101
Computers	405,719	39,475	-	445,194
Phone system	46,390	-	-	46,390
	<u>\$ 743,470</u>	<u>\$ 41,215</u>	<u>\$ -</u>	784,685
Accumulated depreciation				(454,629)
				<u>\$ 330,056</u>

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 18

	Balance June 30, 2023	Additions	Disposals	Balance June 30, 2024
Office furniture and equipment	\$ 337,228	\$ 194,116	\$ (239,983)	\$ 291,361
Computers	500,266	72,112	(166,659)	405,719
Phone system	46,390	-	-	46,390
	\$ 883,884	\$ 266,228	\$ (406,642)	743,470
Accumulated depreciation				(357,966)
				\$ 385,504

Depreciation expense was \$96,663 and \$78,193 for the years ended June 30, 2025 and 2024, respectively.

NOTE 9 ACCRUED EXPENSES

Accrued expenses consist of the following:

	2025	2024
Accrued vacation	\$ 442,335	\$ 396,801
Accrued payroll	151,936	164,200
Accrued payables	67,801	64,197
	\$ 662,072	\$ 625,198

NOTE 10 LINE OF CREDIT

The Organization has a line of credit for \$400,000 with California Bank & Trust. The Organization has drawn \$0 against this line as of June 30, 2025 and 2024. The line of credit is collateralized by substantially all of the assets of the Organization. The interest rate on the line is 9.75% and 10.75% at June 30, 2025 and 2024, respectively. The line of credit matures on August 14, 2027.

NOTE 11 RETIREMENT PLAN

The Organization maintains a tax-deferred retirement plan qualified under Section 403(b) of the Internal Revenue Code. Eligible employees may contribute a percentage of their compensation to the plan. Beginning January 1, 2023, the Organization instituted a safe harbor match to the plan. Matching contributions to the plan were \$181,013 and \$172,017 for the years ended June 30, 2025 and 2024, respectively.

While the Organization expects to continue the plan indefinitely, it has reserved the right to modify, amend, or terminate the plan. In the event of termination, the entire amount contributed under the plan must be applied to the payment of benefits to the participants or their beneficiaries.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 19

NOTE 12 SPECIAL EVENTS

Special events revenues and expenses are directly related to fundraising and consist of the following:

	<u>2025</u>	<u>2024</u>
Revenue		
Starry starry night	\$ 1,454,943	\$ 1,944,962
Uplifting voices	125,587	335,539
Fostering hope golf classic	112,901	172,194
Other fundraisers	<u>58,335</u>	<u>38,503</u>
	1,751,766	2,491,198
Expenses		
Starry starry night	402,357	357,181
Uplifting voices	61,818	71,412
Fostering hope golf classic	53,455	48,919
Other fundraisers	<u>39,496</u>	<u>19,938</u>
	<u>557,126</u>	<u>497,450</u>
	<u>\$ 1,194,640</u>	<u>\$ 1,993,748</u>

NOTE 13 LEASES

Operating Leases

The Organization leases its office spaces under operating leases that expire between December 2025 and March 2031. These leases include renewal options which can extend lease terms for up to 5 years. At June 30, 2025 and 2024, the combined monthly rent were approximately \$32,000 and \$30,000, respectively.

The components of total lease cost for the years ended June 30 consisted of the following:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 379,098	\$ 364,963
Short-term lease cost	40,765	44,873
Variable lease cost	-	-
Total lease cost	<u>\$ 419,863</u>	<u>\$ 409,836</u>

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 20

Supplemental cash flow information related to the operating lease for the years ended June 30 is as follows:

	2025	2024
Right of use asset obtained in exchange for new operating lease liabilities	\$ 139,958	\$ 111,039
Cash paid amounts included in the measurements of lease liabilities:		
operating lease liabilities		
Operating cash flow for operating leases	\$ 277,618	\$ 361,503

Weighted average lease term and discount rate as of June 30 were as follows:

	2025	2024
Weighted average remaining lease term	4.32 years	5.02 years
Weighted average discount rate	3.15%	3.18%

Future minimum undiscounted lease payments related to the operating lease liabilities for the years ended June 30 are as follows:

	2026	\$ 364,829
	2027	345,743
	2028	331,940
	2029	295,976
	2030	304,855
	Thereafter	233,748
Total undiscounted lease payments		1,877,091
Less: present value discount		(170,899)
Total operating lease liability		\$ 1,706,192

NOTE 14 ENDOWMENT FUND

In 2017, the Organization received funds totaling \$100,000 from two donors, for the purpose of establishing a restricted endowment fund, in the honor of former President/CEO Sharon M. Lawrence. During 2018, the Organization received an additional \$62,500. As a result, the Organization is now subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization's Board of Directors has interpreted the UPMIFA as permitting the expenditure or accumulation of as much of endowment funds as the Organization determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund was established, even if this results in the occasional invasion of the endowment's historical gift value. Thus, at times, the value of donor-restricted assets may fall below the level that a donor requires the Organization to maintain as restricted net assets.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 21

As of June 30, 2025 and 2024, the value of the donor-restricted assets had not fallen below the original donated level.

The Organization classifies as restricted endowment net assets (a) the original value of gifts used to establish endowments and (b) the original value of subsequent gifts to endowments: collectively known as "historical gift value". The board has also designated additional funds to a board endowment with the goal of establishing a larger reserve fund. The board has not added funds to the designated endowment during the years ending June 30, 2025 and 2024. Board designated endowment funds are classified as net assets without donor restrictions.

Included in marketable securities on the Statement of Financial Position are donor restricted and board designated investments held in an endowment fund. The objective of the endowment fund is to support the continuing operations of the Organization. During the fiscal year ending June 30, 2018, the Organization delegated authority over the investment of the Endowment Fund to the Finance Committee (the "Committee"). The Committee is responsible for the oversight of the investments of the Endowment Fund and for reporting on the Fund's performance to the Board. The Committee is authorized to retain an investment manager to make investment decisions.

To achieve the desired objective, the Organization will adopt an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are typically invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to meet the annual distribution policy rules while growing the fund if possible. Investment risk is measured in terms of the total endowment fund, investment assets, and allocation between asset classes. Strategies are managed to not expose the fund to unacceptable levels of risk.

Endowment payout is defined as a fixed percentage of the market value of the Endowment Funds that can be used for appropriation every year. This amount will be available for Organization-wide operating purposes, including investment management fees for the Endowment Fund. As of June 30, 2025 and 2024, the endowment payout is set at 5% as determined by the finance committee.

The portion of the Endowment Fund that is classified as with donor restrictions (to be held in perpetuity) is not reduced by losses on the investments of the fund. Losses on the investments of the funds reduce the net assets with donor restrictions to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining losses reduce net assets without donor restrictions. All additions over the historical gift value may, subject to the discretion of the board of directors, to be used to fund distributions supporting the purposes of the fund.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 22

Changes in endowment net assets as of June 30, 2025 are as follows:

	With donor restrictions	Without donor restrictions	Total endowment net assets
Endowment net assets, beginning of year	\$ 239,011	\$ 150,291	\$ 389,302
Investment income	9,798	6,355	16,153
Unrealized and realized gain on investments	18,174	11,050	29,224
Investment and trustee fees	(1,243)	(782)	(2,025)
Endowment net assets, end of year	<u>\$ 265,740</u>	<u>\$ 166,914</u>	<u>\$ 432,654</u>

Endowment net asset composition by type of fund as of June 30, 2025:

	With donor restrictions	Without donor restrictions	Total endowment net assets
Donor-restricted endowment funds	\$ 265,740	\$ -	\$ 265,740
Board designated endowment funds	-	166,914	166,914
Total funds	<u>\$ 265,740</u>	<u>\$ 166,914</u>	<u>\$ 432,654</u>

Changes in endowment net assets as of June 30, 2024 are as follows:

	With donor restrictions	Without donor restrictions	Total endowment net assets
Endowment net assets, beginning of year	\$ 212,558	\$ 132,938	\$ 345,496
Investment income	6,537	4,184	10,721
Unrealized and realized gain on investments	21,069	13,914	34,983
Investment and trustee fees	(1,153)	(745)	(1,898)
Endowment net assets, end of year	<u>\$ 239,011</u>	<u>\$ 150,291</u>	<u>\$ 389,302</u>

Endowment net asset composition by type of fund as of June 30, 2024:

	With donor restrictions	Without donor restrictions	Total endowment net assets
Donor-restricted endowment funds	\$ 239,011	\$ -	\$ 239,011
Board designated endowment funds	-	150,291	150,291
Total funds	<u>\$ 239,011</u>	<u>\$ 150,291</u>	<u>\$ 389,302</u>

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 23

NOTE 15 NET ASSETS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or events specified by donors during fiscal years ended June 30 are as follows:

	2025	2024
Pledges	\$ 750,780	\$ 647,189
Children's assistance program	89,532	56,986
	\$ 840,312	\$ 704,175

Net assets with and without donor restrictions consist of the following:

	2025	2024
Without donor restrictions:		
Undesignated and unrestricted	\$ 11,479,054	\$ 10,779,842
Board designated endowment	166,914	150,291
	11,645,968	10,930,133
With donor restrictions		
Pledges receivable (net of discounts)	682,983	1,433,763
Children's assistance program	46,725	74,657
Endowments held in perpetuity	162,500	162,500
Accumulated endowment earnings	103,240	76,511
	995,448	1,747,431
	\$ 12,641,416	\$ 12,677,564

NOTE 16 LIQUIDITY AND AVAILABILITY

The Organization is substantially supported by contributions without donor restrictions. Contributions and expenses are monitored on a monthly basis by the Organization's management and a committee of the Board of Directors. The level of assets are monitored on an annual basis. The Organization's goal is to be able to function within the boundaries of the income received throughout the year.

The Organization currently has a line of credit established with a local bank. The line of credit ensures short-term financial ability of the Organization to pay general expenditures. As part of the Organization's liquidity management, it has structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization manages its liquidity following three guiding principles: operating within a prudent range of financial stewardship and stability, maintaining adequate liquid assets to fund near term operating needs, and maintaining sufficient funds to provide reasonable assurance that long-term obligations will be discharged.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Page 24

The following reflects the Organization's financial assets as of June 30, 2025 and 2024 , reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

Financial assets, at year-end:	2025	2024
Cash	\$ 4,154,891	\$ 6,684,995
Pledge receivable	734,775	1,617,244
Grants receivable	284,726	345,116
Investments	8,492,085	5,392,776
Total financial assets	13,666,477	14,040,131
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Board designated endowment	(166,914)	(150,291)
Restricted by purpose	(46,725)	(74,657)
Endowment funds held in perpetuity	(162,500)	(162,500)
Accumulated endowment earnings	(103,240)	(76,511)
Restricted by time - pledges receivable (net of discounts)	-	(673,077)
	(479,379)	(1,137,036)
Financial assets available to meet general expenditures within one year	\$ 13,187,098	\$ 12,903,095

NOTE 17 SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 18, 2025, the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.

**VOICES FOR CHILDREN
A NON PROFIT ORGANIZATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

					Expenditures	
Federal Agency Name	Pass Through Agency	Federal Program Title	Assistance Listing Number	Other Identification Number	Federal Expenditures	Passed-through to subrecipients
U.S. Department of Justice	California Governors Office of Emergency Services	Crime Victims Assistance	16.575	UV23 02 1591	\$ 117,708	\$ -
U.S. Department of Justice	California Governors Office of Emergency Services	Crime Victims Assistance	16.575	XY23 03 1591	107,964	-
U.S. Department of Justice	California Governors Office of Emergency Services	Crime Victims Assistance	16.575	KS23 06 1591	65,099	-
U.S. Department of Justice	California Governors Office of Emergency Services	Crime Victims Assistance	16.575	KS23 06 1591	26,590	-
Total U.S. Department of Justice					317,361	-
U.S. Department of Housing and Urban Development	County of Riverside	Community Development Block Grant	14.218	0.262-24	116,030	-
U.S. Department of Housing and Urban Development	City of San Diego	Community Development Block Grant	14.218	PS-FY25-015-01	106,300	-
U.S. Department of Housing and Urban Development	County of San Diego	Community Development Block Grant	14.218	572297	100,000	-

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule

**VOICES FOR CHILDREN
A NON PROFIT ORGANIZATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

					Expenditures	
Federal Agency Name	Pass Through Agency	Federal Program Title	Assistance Listing Number	Other Identification Number	Federal Expenditures	Passed-through to subrecipients
U.S. Department of Housing and Urban Development	City of Corona	Community Development Block Grant	14.218		26,318	-
U.S. Department of Housing and Urban Development	City of Moreno Valley	Community Development Block Grant	14.218		25,000	-
U.S. Department of Housing and Urban Development	City of Perris	Community Development Block Grant	14.218		17,910	-
U.S. Department of Housing and Urban Development	City of Chula Vista	Community Development Block Grant	14.218	2024-125	15,000	-
U.S. Department of Housing and Urban Development	City of Riverside	Community Development Block Grant	14.218		11,000	-
U.S. Department of Housing and Urban Development	City of Hemet	Community Development Block Grant	14.218		10,709	-
U.S. Department of Housing and Urban Development	City of Escondido	Community Development Block Grant	14.218		10,000	-
U.S. Department of Housing and Urban Development	City of Vista	Community Development Block Grant	14.218		10,000	-

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule

**VOICES FOR CHILDREN
A NON PROFIT ORGANIZATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

					Expenditures	
Federal Agency Name	Pass Through Agency	Federal Program Title	Assistance Listing Number	Other Identification Number	Federal Expenditures	Passed-through to subrecipients
U.S. Department of Housing and Urban Development	City of Temecula	Community Development Block Grant	14.218	B-24-MC-06-0605	7,474	-
U.S. Department of Housing and Urban Development	City of Santee	Community Development Block Grant	14.218		5,730	-
Total U.S. Department of Housing and Urban Development					461,471	-
TOTAL FEDERAL AWARDS EXPENDED					\$ 778,832	\$ -

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Page 28

NOTE 1 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Voices for Children (the "Organization") under programs of the federal government for the year ended June 30, 2025. 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 financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – The schedule of expenditures of federal awards is prepared on the same basis of accounting as the Organization's financial statements. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance, Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance (2 CFR 200.414)

NOTE 3 PROGRAM COSTS/MATCHING CONTRIBUTIONS

The amounts shown as current year expenses represent only the federal, state, and local grant portion of the program costs. Entire program costs including the Organization's portion, may be more than shown.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered material weaknesses? Yes None Reported
- Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? Yes No

Identification of Major Programs

CFDA Numbers	Name of Federal Program or Cluster
16.575	Crime Victims Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

None noted.

C. Federal Award Findings

None noted.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Voices For Children
A Nonprofit Organization

We have audited, in accordance with the 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, the financial statements of Voices For Children (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Voices For Children's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Voices For Children's internal control. Accordingly, we do not express an opinion on the effectiveness of Voices For Children's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

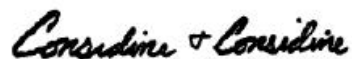
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Voices For Children's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Considine & Considine".

CONSIDINE & CONSIDINE
An Accountancy Corporation

December 18, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Voices For Children
A Nonprofit Organization

Report on Compliance for the Major Federal Program

Opinion on Major Federal Program

We have audited Voices For Children's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Voices For Children's major federal program for the year then ended June 30, 2025. Voices For Children's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Voices For Children complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Voices For Children and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for its major federal program. Our audit does not provide a legal determination of Voices For Children's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Voices For Children's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Voices For Children's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Voices For Children's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Voices For Children's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Voices For Children's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Voices For Children's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

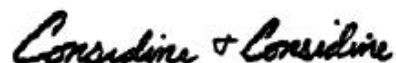
Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CONSIDINE & CONSIDINE
An Accountancy Corporation

December 18, 2025