



**DONALDINA
CAMERON HOUSE**

**FINANCIAL STATEMENTS WITH
REPORT OF INDEPENDENT AUDITORS**

**Year Ended September 30, 2023
(With Summarized Comparative
Totals for 2022)**

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Report of Independent Auditors

To the Board of Directors of
Donaldina Cameron House:

Opinion

We have audited the accompanying financial statements of Donaldina Cameron House, which comprise the statement of financial position as of September 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 financial statements referred to above present fairly, in all material respects, the financial position of Donaldina Cameron House as of September 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Donaldina Cameron House 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 these 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 Donaldina Cameron House's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 generally accepted 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 generally accepted 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 Donaldina Cameron House'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 Donaldina Cameron House'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 the 2022 financial statements of Donaldina Cameron House, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Novogradac & Company LLP

San Francisco, CA
May 30, 2024

DONALDINA CAMERON HOUSE
STATEMENT OF FINANCIAL POSITION
September 30, 2023
(With summarized comparative totals for 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 723,435	\$ 746,031
Grants receivable	119,546	317,242
Accounts receivable	-	500
Prepaid expenses	19,024	19,479
Property and equipment, net	2,106,714	2,208,730
Construction in progress	29,149	29,149
Split-interest receivable	104,810	95,276
Interest in the net assets of Cameron House Foundation	5,747,325	5,373,251
Total assets	\$ 8,850,003	\$ 8,789,658
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 131,948	\$ 204,925
Deferred revenue	21,522	16,881
Total liabilities	153,470	221,806
Net assets:		
Net assets without donor restrictions	2,843,648	2,888,551
Net assets with donor restrictions	5,852,885	5,679,301
Total net assets	8,696,533	8,567,852
Total liabilities and net assets	\$ 8,850,003	\$ 8,789,658

see accompanying notes

DONALDINA CAMERON HOUSE
STATEMENT OF ACTIVITIES
For the year ended September 30, 2023
(With summarized comparative totals for 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUES				
Support:				
Contributions and gifts	\$ 608,839	\$ 750	\$ 609,589	\$ 642,177
Government grants	1,194,184	-	1,194,184	1,338,212
In-kind contributions	1,037,462	-	1,037,462	1,037,462
Fundraising events	17,425	-	17,425	-
Change in value of split-interest agreements	-	9,534	9,534	(19,460)
Change in interest in the net assets of Cameron House Foundation	-	614,074	614,074	(1,293,528)
Net assets released from restrictions	450,774	(450,774)	-	-
Total support	<u>3,308,684</u>	<u>173,584</u>	<u>3,482,268</u>	<u>1,704,863</u>
Revenues:				
Program fees	70,968	-	70,968	34,429
Interest and dividend income	336	-	336	391
Other revenue	36,643	-	36,643	32,210
Total revenues	<u>107,947</u>	<u>-</u>	<u>107,947</u>	<u>67,030</u>
Total support and revenues	<u>3,416,631</u>	<u>173,584</u>	<u>3,590,215</u>	<u>1,771,893</u>
EXPENSES				
Program services:				
Social services	1,112,764	-	1,112,764	1,141,042
Youth programs	1,338,254	-	1,338,254	1,444,324
Total program services	<u>2,451,018</u>	<u>-</u>	<u>2,451,018</u>	<u>2,585,366</u>
Supporting services:				
Management and general	557,474	-	557,474	568,186
Fundraising and development	453,042	-	453,042	251,989
Total supporting services	<u>1,010,516</u>	<u>-</u>	<u>1,010,516</u>	<u>820,175</u>
Total expenses	<u>3,461,534</u>	<u>-</u>	<u>3,461,534</u>	<u>3,405,541</u>
CHANGES IN NET ASSETS	(44,903)	173,584	128,681	(1,633,648)
NET ASSETS				
Beginning of year	<u>2,888,551</u>	<u>5,679,301</u>	<u>8,567,852</u>	<u>10,201,500</u>
End of year	<u>\$ 2,843,648</u>	<u>\$ 5,852,885</u>	<u>\$ 8,696,533</u>	<u>\$ 8,567,852</u>

see accompanying notes

DONALDINA CAMERON HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended September 30, 2023
(With summarized comparative totals for 2022)

	2023						2022	
	Social Services	Youth Programs	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	Total	Total
Salaries and benefits	\$ 644,587	\$ 641,251	\$ 1,285,838	\$ 139,825	\$ 254,605	\$ 394,430	\$ 1,680,268	\$ 1,677,355
Occupancy	308,887	307,289	616,176	299,279	122,007	421,286	1,037,462	1,037,462
Depreciation	41,021	40,808	81,829	39,745	16,203	55,948	137,777	142,852
Program costs	249	36,836	37,085	11	70	81	37,166	39,100
Professional services	48,533	184,984	233,517	39,565	24,090	63,655	297,172	140,495
Communal meals and refreshments	4,755	16,715	21,470	1,127	6,247	7,374	28,844	28,887
Printing and publishing	2,212	488	2,700	296	3,390	3,686	6,386	17,299
Utilities	18,866	15,308	34,174	14,561	6,476	21,037	55,211	55,825
Office supplies and expense	10,417	29,278	39,695	8,814	9,971	18,785	58,480	70,609
Insurance	6,171	6,139	12,310	5,979	2,738	8,717	21,027	17,338
Program and other supplies	1,728	47,562	49,290	277	1,203	1,480	50,770	103,508
All others	25,338	11,596	36,934	7,995	6,042	14,037	50,971	74,811
Total expenses	<u>\$ 1,112,764</u>	<u>\$ 1,338,254</u>	<u>\$ 2,451,018</u>	<u>\$ 557,474</u>	<u>\$ 453,042</u>	<u>\$ 1,010,516</u>	<u>\$ 3,461,534</u>	<u>\$ 3,405,541</u>

see accompanying notes

DONALDINA CAMERON HOUSE
STATEMENT OF CASH FLOWS
For the year ended September 30, 2023
(With summarized comparative totals for 2022)

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 128,681	\$ (1,633,648)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	137,777	142,852
Change in value of split-interest agreements	(9,534)	19,460
Change in interest in the net assets of Cameron House Foundation	(614,074)	1,293,528
Decrease (increase) in assets:		
Grants receivable	197,696	(149,205)
Accounts receivable	500	2,000
Prepaid expenses	455	(426)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(72,977)	6,032
Deferred revenue	4,641	2,953
Scholarships	-	(8,500)
Net cash used in operating activities	(226,835)	(324,954)
Cash flows from investing activities:		
Purchase of property and equipment	(35,761)	(5,901)
Distribution from Cameron House Foundation	240,000	225,000
Net cash provided by investing activities	204,239	219,099
Net decrease in cash and cash equivalents	(22,596)	(105,855)
Cash and cash equivalents:		
Beginning of year	746,031	851,886
End of year	\$ 723,435	\$ 746,031

see accompanying notes

DONALDINA CAMERON HOUSE
NOTES TO FINANCIAL STATEMENTS

September 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose and Organization

Donaldina Cameron House (Cameron House or the Organization) empowers the San Francisco Chinese community to build strength and resilience through family-centered programs. Its vision is a safe and healthy community where people learn, heal, and thrive. Cameron House has served San Francisco's Asian community since 1874 and its programs and services are offered in English, Cantonese and Mandarin.

Programs and Services

The Organization builds parental resilience, expands social connections, offers families concrete support in times of need, builds knowledge of parenting and child development, and develops the social and emotional competence of children.

Cameron House achieves this through a variety of services for youth, adults and their families, year-round: Out of School Time Programs for youth, grades 1-12, and their families; Bilingual Afterschool Program (BAP) to provide enrichment, tutoring, social-emotional health, and training/workshops/events; summer camps; and leadership development through apprenticeships and service learning. Cameron House, a registered Heritage School, integrates and celebrates Chinese culture and traditions in its programming.

The Organization also offers computer and English language literacy classes; counseling/mental health counseling; case management; advocacy; service referrals; food pantry; gender-based violence support; and support groups.

Relationship to the Presbytery of San Francisco

The Organization has been a part of the Presbyterian Church's mission arm for over 140 years. The mission began because of the denomination's concern for its ministry and outreach to the immigrant Chinese in the 19th century and served under the supervision and support of the national church. Nearly 35 years ago, the denomination underwent extensive reorganization, and the ministry of the Organization was realigned as a local ministry. The local judicatory of the denomination known as a Presbytery, is a cluster of churches and church agencies within a prescribed geographical area that functions as a level of representative government.

The Presbytery in which the Organization functions is the San Francisco Presbytery. The San Francisco Presbytery holds the deed to the property at 920 Sacramento Street (the Property), where the Organization is located, and encourages member churches to support the mission through benevolent giving. On January 1, 2005, the Organization entered into a ground lease agreement with the Presbytery to lease the Property for a term of 60 years. For the year ended September 30, 2023, the San Francisco Presbytery contributed \$1,037,462 of in-kind rent.

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

Classification of Net Assets

Accounting principles generally accepted in the United States of America require that the Organization report information regarding its financial position and activities according to the following net asset classifications:

DONALDINA CAMERON HOUSE
NOTES TO FINANCIAL STATEMENTS

September 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Classification of Net Assets (continued)

Net Assets without Donor Restrictions: Those net assets and activities which represent the portion of expendable funds that are available to support the Organization's operations. A portion of these net assets may be designated by the Board of Directors for specific purposes.

Net Assets with Donor Restrictions: Those net assets and activities which are donor-restricted for (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; (d) acquisition of long-lived assets; (e) assets donated with stipulations that they be used for a specified purpose, be preserved, and not be sold; or (f) assets donated with stipulations that they be invested to provide a permanent source of income.

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 the reported amounts of assets and liabilities and disclosure 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.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables, and accounts payable approximate fair value because of the short maturity of these instruments. The carrying amounts of long-term receivables approximate fair value as these receivables earn or are charged interest based on the prevailing rates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

The Organization carries investments in certificates of deposits at their readily determinable fair values in the statement of financial position. Unrealized and realized gains and losses are included in the change in the net assets in the accompanying statement of activities.

Receivables and Credit Policies

Grants receivable are uncollateralized obligations and are stated at the amount billed.

Receivables are due under normal trade terms requiring payment upon receipt of the invoice. No interest is accrued. Payments of receivables are allocated to specific invoices identified on the grantor's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The Organization uses the allowance method to account for uncollectible receivables. The allowance for doubtful accounts reflects management's best estimate of the amounts that will not be collected based on historical experience and an evaluation of the outstanding receivables at the end of the year.

DONALDINA CAMERON HOUSE
NOTES TO FINANCIAL STATEMENTS

September 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest in the Net Assets of Cameron House Foundation

The Organization recognizes its interest in the net assets of Cameron House Foundation, a financially interrelated entity, and periodically adjusts that interest for its share of the change in net assets of Cameron House Foundation in accordance with FASB ASC Subtopic 958-20, *Financially Interrelated Entities*.

Property and Equipment

The Organization capitalizes acquisitions of property and equipment with a cost or value in excess of \$1,000 and with an estimated useful life beyond one year. Purchased assets are recorded at cost. Depreciation is calculated using the straight-line method based upon estimated useful lives ranging from 5 to 39 years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is reflected in the statement of activities.

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique.

Revenue Recognition

Contributions

The Organization recognizes a contribution when received or unconditionally promised. Contributions without donor-imposed restrictions as well as investment income generated from contributions with donor-imposed restrictions are reported as increases in net assets without donor restrictions. Contributions with donor-imposed restrictions are also reported as increases in net assets without donor restrictions if the restrictions expire in the same reporting period in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions.

The satisfaction of a donor-imposed restriction on a contribution is recognized when the corresponding expenditures are incurred or when the restriction expires. This occurs by increasing one class of net assets and decreasing another in the statement of activities. Such transactions are recorded as net assets released from restrictions and are reported separately from other transactions.

Promises to give are recorded when the promise is made; such receivables are subject to an allowance for uncollectible amounts. Promises to give, which are due beyond one accounting cycle, are recorded at the present value of the contribution.

Contributed Goods and Services

Donated material and equipment are recorded as contributions at their estimated fair value on the date of receipt. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies donor restricted net assets to net assets without donor restriction at that time.

DONALDINA CAMERON HOUSE
NOTES TO FINANCIAL STATEMENTS

September 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Contributed Goods and Services (continued)

The Organization records contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated.

For the year ended September 30, 2023, there were no contributed services that would materially impact the financial statements as presented.

Program Fees and Other Revenue

Revenue resulting from special events, fees charged by the Organization and other income is recognized when performance obligations are met.

Local Grants

The Organization is a recipient of various local grants which support the Organization's programs.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses have been allocated among the program services and support services that benefit from those expenses. Direct salaries and wages are considered a representative measure of the organizational effort applied to joint objectives and serve as a basis for allocation of shared expenses. Management and general expenses include those expenses not directly identified with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes

The Organization is a subordinate unit of the Presbyterian Church (U.S.A.) Foundation, which holds a group exemption, which includes the Organization. Presbyterian Church (U.S.A.) Foundation has been granted tax-exempt status from federal and California income taxes under the provisions of §501(c)(3) of the Internal Revenue Code and §23701d of the California Revenue and Taxation Code, respectively. As a result, the Organization is exempt from paying any income taxes, and thus no provision for income taxes has been reflected in these financial statements.

The Organization has adopted the accounting standard on accounting for uncertainty in income taxes, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return and requires the affirmative evaluation that is more-likely-than-not, based on the technical merits of a tax position, that an enterprise is entitled to economic benefits resulting from tax positions taken in income tax returns.

If a tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements. This standard also requires organizations to disclose additional quantitative and qualitative information in their financial statements about uncertain tax positions.

The Organization's evaluation on September 30, 2023 revealed no tax positions that would have a material impact on the financial statements. The 2020 through 2022 tax years remain subject to examination by the Internal Revenue Service and the California Franchise Tax Board. The Organization is not aware of any possible changes that will occur within the next twelve months that will have a material impact on the financial statements.

DONALDINA CAMERON HOUSE
NOTES TO FINANCIAL STATEMENTS

September 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and promises to give. The Organization maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant credit risk related to concentrations.

Advertising Expense

During the year ended September 30, 2023, advertising costs amounted to \$2,631.

Comparative Financial Information

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 the Organization's financial statements for the year ended September 30, 2022, from which the summarized information was derived.

2. FAIR VALUE MEASUREMENTS

The Organization's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The levels of the fair value hierarchy are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Organization's cash and cash equivalents, receivables, long-term receivables and accounts payable are measured at fair value on a recurring basis at September 30, 2023 and are classified within Level 1 of the fair value hierarchy.

DONALDINA CAMERON HOUSE
NOTES TO FINANCIAL STATEMENTS

September 30, 2023

3. GRANTS RECEIVABLE

Grants receivable at September 30, 2023 were composed of the following:

Unconditional promises to give:

Due in less than one year:

Asian Women's Shelter	\$ 5,000
Department of Children Youth and their Families	41,528
Department on the Status of Women	41,678
San Francisco's Mayor's Office of Housing	31,340
Total grants receivable	<u>\$ 119,546</u>

4. CONDITIONAL PROMISES TO GIVE

The Organization has numerous grants for which the grantor agencies' promises to give are conditioned upon the Organization incurring certain qualifying expenses under the grant programs. At September 30, 2023, these conditional promises to give totaled approximately \$990,000. These promises to give will be recognized as revenue when the respective conditions are met in future years.

5. PROPERTY AND EQUIPMENT, NET

Property and equipment at September 30, 2023 consisted of the following:

Leasehold improvements	\$ 4,061,965
Equipment, furniture and fixtures	241,909
Vehicles	30,452
Website	60,638
Subtotal	<u>4,394,964</u>
Less: accumulated depreciation	<u>(2,288,250)</u>
Property and equipment, net	<u>\$ 2,106,714</u>

For the year ended September 30, 2023, depreciation expense was \$137,777.

6. SPLIT-INTEREST RECEIVABLE

The Organization was named beneficiary of several charitable life income interests administered by the Presbyterian Church (U.S.A.) Foundation. Under the terms of the split-interest agreements, at the time of a donor's death, the trust will terminate and the remaining assets are to be distributed to the Organization and other named beneficiaries. Based on the income beneficiary's life expectancy, less the expected amount necessary to pay the life income beneficiaries during their lifetime, the present value of future benefits expected to be received by the Organization at September 30, 2023 was estimated to be \$104,810, which is permanently restricted. For the year ended September 30, 2023, the change in the permanently restricted value was an increase of \$9,534. Discount rates used to calculate present value are in compliance with Internal Revenue Service guidelines.

The split-interest receivable is recorded as net assets with donor restrictions because of the donors' intent.

DONALDINA CAMERON HOUSE
NOTES TO FINANCIAL STATEMENTS

September 30, 2023

7. INTEREST IN THE NET ASSETS OF CAMERON HOUSE FOUNDATION

The Organization is in part, supported by a separate entity, the Cameron House Foundation (CHF). CHF has a separate Board of Directors and exists exclusively for the benefit of the Organization. Accordingly, CHF's net assets and the changes therein are reported on the Organization's financial statements.

The net assets at September 30, 2023 consisted of the following:

Equities and bonds	\$ 5,707,812
Cash and cash equivalents	17,224
Interest in life insurance policy	22,289
Total	<u>\$ 5,747,325</u>

The activities for the year ended September 30, 2023 were as follows:

Beginning balance	\$ 5,373,251
Changes in net assets	614,074
Distribution to the Organization	(240,000)
Total	<u>\$ 5,747,325</u>

8. DEFERRED REVENUE

Deferred revenue at September 30, 2023 consisted of the following:

Out of School Time Fees	\$ 21,522
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9. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at September 30, 2023 consisted of the following:

Net investment in property and equipment	\$ 2,106,714
Funds functioning as endowments	126,500
Unrestricted reserves	610,434
Total net assets without donor restrictions	<u>\$ 2,843,648</u>

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at September 30, 2023 consisted of the following:

Interest in net assets of Cameron House Foundation	\$ 5,747,325
Split-interest receivable	104,810
Scholarships	750
Total net assets with donor restrictions	<u>\$ 5,852,885</u>

DONALDINA CAMERON HOUSE
NOTES TO FINANCIAL STATEMENTS

September 30, 2023

11. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors during the year ended September 30, 2023 as follows:

Distribution from Cameron House Foundation	\$	240,000
Crankstart		156,524
West Bay Youth Connect		50,000
Scholarships		4,250
Total net assets released from restrictions	\$	450,774

12. IN-KIND CONTRIBUTIONS

For the year ended September 30, 2023, contributed nonfinancial assets recognized within the statement of activities included:

Asset	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Rent	\$ 1,037,462	All programs, management and supporting services	No associated donor restrictions	The Organization estimated the fair rental value based on comparable rental prices in the local real estate market.

13. RETIREMENT PLAN

The Organization has established a retirement plan under §401(k), previously a retirement plan under §403(b), of the Internal Revenue Code to provide retirement benefits to employees who work a minimum of 1,000 hours per year. At the employee's election, the Organization will match up to 4% of the employee's salary for those who have completed one year of employment. The Organization's contributions are immediately vested. During the year ended September 30, 2023, the Organization contributed \$37,255 to the plan.

14. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, without donor or other restrictions limited to their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$	723,435
Grants receivable		119,546
Total financial assets		842,981
Less amounts not available to be used for general expenditures within one year:		
Restricted cash and cash equivalents		(750)
Financial assets available to meet cash needs for general expenditures within one year	\$	842,231

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14. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

The Organization has \$842,231 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures including cash of \$722,685. The accounts and grants receivable are subject to implied time restrictions but are expected to be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$396,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including money market accounts.

15. BOARD-DESIGNATED ENDOWMENT FUND

In August 2008, Financial Accounting Standards Board (“FASB”) provided guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”). This guidance also improves disclosures about an organization’s endowed funds (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA.

The Organization's endowment program consists of funds designated by the Board of Directors to function as endowments. The Organization does not have any donor-restricted endowment funds.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under these policies, as approved by the Board of Directors, the endowment assets are invested in a manner that seeks to meet the Organization’s liquidity needs and are low-risk (i.e. have FDIC insurance, are investment-grade rated, or are backed by the U.S. government).

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

The Organization may appropriate for expenditure so much of the fund as the Board of Directors determines to be necessary. Expenditure of the funds is intended for the Organization’s capital or strategic needs, subject to the Board of Directors’ approval.

Changes in endowment net assets for the year ended September 30, 2023 are as follows:

Funds functioning as endowments, September 30, 2022	\$ 224,000
Contributions	-
Investment returns, net	-
Appropriation of endowment assets for expenditure	<u>(97,500)</u>
Funds functioning as endowments, September 30, 2023	<u>\$ 126,500</u>

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16. SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through May 30, 2024, the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.