



Financial Statements

December 31, 2024



BRETT BRADBURY CPA PC

Bithiah's Family Services

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BRETT BRADBURY CPA PC
NONPROFIT AUDIT |
REVIEW | COMPILATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Bithiah's Family Services
Pomona, California

Opinion

I have audited the accompanying financial statements of Bithiah's Family Services (nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 my opinion, the financial statements present fairly, in all material respects, the financial position of Bithiah's Family Services as of December 31, 2024, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Bithiah's Family Services and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bithiah's Family Services' 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

My 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 my 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, I:

- 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 Bithiah's Family Services' 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bithiah's Family Services' ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Brett Bradbury CPA PC

Long Beach, California

March 10, 2025

Bithiah's Family Services
Statement of Financial Position
December 31, 2024

	<u>2024</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 85,722
Contributions receivable	<u>120,000</u>
Total Current Assets	205,722
Long-Term Assets	
Property and equipment, net	9,286
Operating lease right-of-use assets	109,501
Deposits	<u>10,758</u>
Total Long-Term Assets	<u>129,545</u>
 Total Assets	 <u><u>\$ 335,267</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accrued liabilities	\$ 9,958
Operating lease liabilities, current portion	<u>32,105</u>
Total Current Liabilities	42,063
Long-Term Liabilities	
Operating lease liabilities, net of current portion	<u>50,787</u>
Total Long-Term Liabilities	<u>50,787</u>
 Total Liabilities	 <u>92,850</u>
Net Assets	
Without donor restrictions	142,417
With donor restrictions	<u>100,000</u>
Total Net Assets	<u>242,417</u>
 Total Liabilities and Net Assets	 <u><u>\$ 335,267</u></u>

The accompanying notes are an integral part of these financial statements.

Bithiah's Family Services
Statement of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Grants and contracts	\$ 369,030	\$ 298,606	\$ 667,636
Contributions	99,480	-	99,480
In-kind contributions	62,160	-	62,160
Special events, net of donor benefits	38,101	-	38,101
Net assets released from restrictions	198,606	(198,606)	-
Total Support and Revenue	767,377	100,000	867,377
Expenses			
Program	549,582	-	549,582
Management and general	109,804	-	109,804
Fundraising	15,180	-	15,180
Total Expenses	674,566	-	674,566
Change in net assets	92,811	100,000	192,811
Net assets, beginning of year as previously reported	25,819	-	25,819
Prior period adjustment (Note 11)	23,787	-	23,787
Net assets, beginning of year as restated	49,606	-	49,606
Net assets, end of year	<u>\$ 142,417</u>	<u>\$ 100,000</u>	<u>\$ 242,417</u>

The accompanying notes are an integral part of these financial statements.

Bithiah's Family Services
Statement of Functional Expenses
Year Ended December 31, 2024

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Salaries and Related Expenses				
Salaries and wages	\$ 301,444	\$ 41,029	\$ 6,763	\$ 349,236
Payroll taxes	27,180	4,056	930	32,166
Employee benefits	15,941	2,169	358	18,468
Total Salaries and Related Expenses	344,565	47,254	8,051	399,870
Other Expenses				
Bank and merchant fees	-	229	-	229
Client assistance	19,064	-	-	19,064
Conferences and meetings	4,583	-	-	4,583
Contracted services	16,435	-	-	16,435
Cost of direct benefits to donors	-	-	7,820	7,820
Depreciation	1,486	371	-	1,857
Dues and subscriptions	-	3,618	-	3,618
Events	1,789	-	-	1,789
Information technology	-	9,462	-	9,462
Insurance	4,555	1,139	-	5,694
Licenses and fees	-	245	-	245
Marketing and promotion	867	347	7,129	8,343
Office expense	-	5,690	-	5,690
Postage and delivery	-	896	-	896
Professional fees	-	15,635	-	15,635
Program Supplies	82,042	-	-	82,042
Rent expense	50,504	12,626	-	63,130
Repairs and maintenance	1,189	297	-	1,486
Small equipment	9,754	2,439	-	12,193
Travel	64	1,773	-	1,837
Uniforms	-	4,612	-	4,612
Utilities	7,464	1,866	-	9,330
Vehicle expense	5,221	1,305	-	6,526
Total Other Expenses	205,017	62,550	14,949	282,516
Total Expenses	549,582	109,804	23,000	682,386
Less expenses included with revenues on the statements of activities				
Cost of direct benefits to donors	-	-	(7,820)	(7,820)
Total	<u>\$ 549,582</u>	<u>\$ 109,804</u>	<u>\$ 15,180</u>	<u>\$ 674,566</u>

The accompanying notes are an integral part of these financial statements.

Bithiah's Family Services
Statement of Cash Flows
Year Ended December 31, 2024

	<u>2024</u>
Cash Flows from Operating Activities	
Change in net assets	\$ 192,811
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,857
Amortization of operating lease right-of-use asset	(104,115)
(Increase) decrease in operating assets:	
Contributions receivable	(120,000)
Deposits	(3,500)
Increase (decrease) in operating liabilities:	
Accrued liabilities	9,958
Operating lease liabilities, net	82,892
Net cash provided by operating activities	<u>59,903</u>
Net increase in cash and cash equivalents	59,903
Cash and cash equivalents, beginning of year	<u>25,819</u>
Cash and cash equivalents, end of year	<u><u>\$ 85,722</u></u>
 Cash and cash equivalents consists of:	
Unrestricted cash and cash equivalents	\$ 85,722
Restricted cash and cash equivalents	-
	<u><u>\$ 85,722</u></u>
 Supplemental Disclosure of Cash Flow Information	
Interest paid	\$ -
Income taxes paid	\$ -
 Supplemental Disclosure of Noncash Investing and Financing Activities	
Operating lease right-of use-assets obtained in exchange for lease liabilities	\$ 40,917

The accompanying notes are an integral part of these financial statements.

Bithiah's Family Services

Notes to Financial Statements

NOTE 1 – ORGANIZATION

Bithiah's Family Services (the Organization) was incorporated under the laws of the state of California on March 27, 2015. The Organization is a publicly supported entity as described in Sections 170(b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code.

The Organization operates facilities in Pomona, Azusa, and San Marcos, California, offering comprehensive wraparound services to infants, children, and teens in foster care, as well as youth aging out of the system and children at risk of removal. The services and programs offered by the Organization include:

Resource & Visitation Centers: Families receive support through court-approved trainings, clinician-led support groups, tutoring, monitored visitations, and access to tangible supplies.

Bithiah's House: Provides in-house mental health services such as therapy, self-care resources, mentorship, support groups, and life skills training to assist youth in their transition to independence.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The statements of financial position are presented in order of liquidity.

The Organization classifies revenue, other support, and expenses into two net asset categories according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve through a board-designated endowment.
- *Net assets with donor restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include bank checking accounts used for operating purposes and highly liquid investments available for current use with maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes.

Bithiah's Family Services

Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions Receivable

Contributions receivable are unconditional promises received and are recorded when the promise to contribute is made. Unconditional promises to give expected to be collected within one year are recorded at net realizable value. All contributions receivable for the year ended December 31, 2024 are expected to be collected within one year.

Fair Value Measurements

The Organization carries certain assets and liabilities at fair value. Fair value is defined as 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. Certain financial instruments are carried at cost on the statements of financial position, which approximates fair value due to their short term, highly liquid nature.

The Organization classifies its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

- Level 1 - Quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Examples of such assets are actively traded stocks, bonds, and mutual funds. This Level of data is given priority over Level 2 and 3 data in establishing fair market value.
- Level 2 - Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly. An example of such an asset is an investment that is not traded actively and therefore no quoted price is available, but other similar investments have traded recently, or other data such as interest or yield rates are available that allows for a valuation of the asset. This Level of data is given priority over Level 3 data in establishing a fair market value.
- Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data. In this situation, unobservable data may be used to make the best fair value determination possible.

Property and Equipment

Property and equipment used in the operations of the Organization are stated at cost or, if donated, at the fair value at the date of contribution. All donated assets are reported as unrestricted support unless donors' stipulations specify how the assets must be used. The Organization reports expirations of donor restrictions when the acquired assets are placed in service and reclassifies with donor restricted net assets to without donor restricted net assets at that time. Property and equipment with a cost of at least \$2,500 and a useful life of three years or more is capitalized. Depreciation and amortization on both purchased and donated items are recorded using the straight-line method over the shorter of the estimated useful life of the related asset or the term of the lease for leasehold improvements as follows:

Vehicles	7 years
Machinery and equipment	3-5 years
Furniture and fixtures	3-5 years

Bithiah's Family Services

Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment (continued)

Normal repairs and maintenance are expensed as incurred, whereas significant charges that increase the fixed asset values or extend useful lives are capitalized and depreciated over the estimated useful lives of the related assets.

Upon sale or disposition of property and equipment, the asset account is reduced by the cost, and the accumulated depreciation account is reduced by depreciation taken prior to the sale. Gains and losses are recognized in the statements of activities and changes in net assets upon disposal of property and equipment.

Impairment of Long-lived Assets

The Organization reviews its investment in long-lived assets for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment would be recorded in circumstances where undiscounted cash flows expected to be generated by an asset are less than the carrying value of that asset. As of December 31, 2024, there were no events or changes in circumstances indicating the carrying amount of long-lived assets may not be recoverable. There can be no assurance, however, that market or other conditions will not change in the future resulting in impairment of long-lived assets.

Deposits

Deposits are amounts paid on lease agreements that are expected to be refunded at the end of the lease term unless renewed.

Compensated Absences

The Organization's employees earn paid-time-off (PTO) based on the amount of time worked annually. Unused PTO for full-time employees is cumulative from year to year and can be accrued. Employees are also granted sick pay, which is not an earned benefit. No payment of unused sick leave will be made upon termination of employment.

Leases

The Organization leases office space under three separate operating leases. The Organization determines if an arrangement is a lease at inception. In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the accompanying statements of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease.

Bithiah's Family Services

Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. For leases that do not provide an implicit rate, the Organization has elected to use the risk-free discount rate of a period comparable with that of the lease term based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. For operating leases, lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected not to recognize right-of-use assets and lease liabilities for short-term leases and instead records them in a manner similar to operating leases under legacy leasing guidelines. A short-term lease is one with a maximum lease term of 12 months or fewer and does not include a purchase option that the lessee is reasonably certain to exercise.

Revenue Recognition

Grants and Contracts

Revenue from grants and contracts with resource providers such as the government and its agencies, other organizations and private foundations are accounted for either as exchange transactions or as contributions. Revenue from grants that are nonreciprocal are treated like contributions. These funds are deemed conditional as they are subject to specific measurable barriers such as procurement and reporting requirements and specific cost requirements prior to being eligible for reimbursement. When the resource provider receives commensurate value in return for the resources transferred to the Organization, the revenue from the grant or contract is accounted for as an exchange transaction.

For purposes of determining whether a transfer of asset is a contribution or an exchange, the Organization deems that the resource provider is not synonymous with the general public, i.e., indirect benefit received by the public as a result of the assets transferred is not deemed equivalent to commensurate value received by the resource provider. Moreover, the execution of a resource provider's mission or the positive sentiment from acting as a donor is not deemed to constitute commensurate value received by a resource provider. Revenue from grants and contracts that are accounted for as exchange transactions is recognized when performance obligations have been satisfied. For the year ended December 31, 2024, the Organization has recognized grants and contracts as contributions.

Contributions

Transactions where the resource provider often receives value indirectly by providing a societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Organization has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Organization fails to overcome the barrier. The Organization recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as a refundable advance.

Bithiah's Family Services

Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Contributions (continued)

Unconditional promises to give (pledges receivable) are recognized as contributions when received at their estimated fair value. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Amounts received that are restricted for future periods or by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class.

Unconditional contributions are recorded as either with donor restrictions or without donor restrictions. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions received with no donor stipulations are recorded as contributions without donor restrictions.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions. Capital campaign contributions are considered net assets with donor restrictions until the asset is placed into service.

In-Kind Contributions

In addition to receiving cash contributions, the Organization may receive in-kind contributions from various donors. The value of in-kind donations is based on either donor-stated value, face value or replacement value had the Organization needed to purchase from an outside source. The fair market value is determined through active markets of identical or similar items. For the year ended December 31, 2024, the Organization received \$62,160 in non-cash contributions. See Note 8.

Special Event Revenue

Revenue from special events includes sponsorships, ticket sales, and donations. Sponsorship and ticket sales are recognized in the period in which the event occurs.

Contributed Services

Several volunteers have donated significant amounts of time and services to the Organization's program operations and to its fundraising campaigns. Contributed services are recognized by the Organization if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The services donated are not reflected in the accompanying financial statements as an expense or as income from donations; such services do not meet the above criteria for recording under U.S. GAAP.

Bithiah's Family Services

Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization has been classified as a publicly supported, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is exempt from California franchise taxes under Revenue and Taxation Code Section 23701(d).

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. As of December 31, 2024, management evaluated the Organization's tax positions and concluded that the Organization had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements.

The Organization's returns are subject to potential examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed. Any interest or penalties assessed to the Organization are recorded in other expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Functional Allocation of Expenses

Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Certain expenses that are associated with more than one program or supporting service have been allocated among the programs and supporting services benefited based on a percentage of direct salaries method. The percentage of direct salaries method assigns time spent by employees on each program or support service to obtain overall percentages spent on each organizational activity.

Overhead expenses and supporting departments are allocated based on headcount percentages for each program and supporting department. Depreciation and facility costs are allocated based on square footage of the space used by each department.

Marketing and Promotion

The Organization expenses marketing and promotion costs as they are incurred. These costs are incurred to promote fundraising events and its programs. Marketing and promotion costs for the year ended December 31, 2024 was \$8,343.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures at the date of the financial statements and the reported amounts of revenues, expenses and changes in net assets during the reporting period. While management believes that these estimates are adequate as of December 31, 2024, it is possible that actual results could differ from those estimates, and the difference could be material to the financial statements.

Bithiah's Family Services Notes to Financial Statements

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets and liquidity resources available within one year for general expenditure, that is, without donor or other restrictions limiting their use, comprise the following as of December 31, 2024:

Cash and cash equivalents	\$ 85,722
Contributions receivable	120,000
Financial assets available within one year	<u>205,722</u>
Less: Donor-imposed restrictions	
Restricted by donors for Housing	(100,000)
Total financial assets available for general use	<u><u>\$ 105,772</u></u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget, and anticipates collecting sufficient revenue to cover general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2024:

Vehicles	\$ 13,000
	<u>13,000</u>
Accumulated depreciation	(3,714)
Property and equipment, net	<u><u>\$ 9,286</u></u>

Depreciation expense for the year ended December 31, 2024 was \$1,857.

NOTE 5 – ACCRUED LIABILITIES

Accrued liabilities consisted of the following at December 31, 2024:

Accrued payroll	\$ 7,875
Accrued vacation	2,083
Property and equipment, net	<u><u>\$ 9,958</u></u>

Bithiah's Family Services

Notes to Financial Statements

NOTE 6 – LEASES

Operating Leases

For the year ended December 31, 2024, the Organization reported lease liabilities in accordance with ASU Topic 842 – Leases. At December 31, 2024, the Organization had three office leases in Pomona, Azusa, and San Marcos, California that terminate in July 2027, July 2025, and April 2025, respectively. The lease agreements do not include any material residual value guarantees or restrictive covenants.

Future minimum lease payments under non-cancellable leases are as follows for the year ended December 31, 2024:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2025	\$ 34,150
2026	32,574
2027	19,438
Total minimum lease payments	86,162
Less: imputed interest	(3,270)
Present value of minimum lease payments	82,892
Current portion	(32,105)
Long-term portion	\$ 50,787

Additional information related to leases for the year ended December 31, 2024 is as follows:

Operating lease cost	\$ 74,037
Short-term lease cost	\$ -
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 64,930
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	\$ 40,917
Weighted-average remaining lease term	1.96 years
Weighted-average discount rate	3.44 %

Bithiah's Family Services

Notes to Financial Statements

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent contributions received or receivable by the Organization, which are limited in their use by the donor-imposed restrictions. Net assets with donor restrictions are available for the following purposes at December 31, 2024:

Subject to Expenditure for Specified Purpose:	
Housing	\$ 100,000
Total Subject to Expenditure for Specified Purpose	<u>100,000</u>
 Total Net Assets With Donor Restrictions	 <u>\$ 100,000</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors are as follows for the years ended December 31, 2024:

Purpose Restrictions Accomplished:	
Housing	\$ 198,606
Total Purpose Restrictions Accomplished	<u>198,606</u>
 Total Net Assets Released From Restrictions	 <u>\$ 198,606</u>

NOTE 8 – DONATED GOODS AND SERVICES

Donated goods and services (Level 2 inputs) consisted of the following as of December 31, 2024:

<u>Nonfinancial Assets</u>	<u>Revenue Recognized</u>	<u>Program/ Activity Utilization</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Baby essentials, clothing and accessories, school and childcare items, toys	\$ 62,160	Program	None	Market cost of goods provided
	<u>\$ 62,160</u>			

Bithiah's Family Services

Notes to Financial Statements

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Grants and Contracts

Certain services of the Organization are governed by grants and contracts from governmental agencies and private sources. There can be no assurance that the Organization will be able to obtain future grants as deemed necessary by management, although management believes that there is no current indication that grants and contracts are in jeopardy. The loss of certain current grants, or the inability to obtain future grants, could have an adverse effect on the Organization's financial position and results of operations. Failure of the Organization to comply with applicable regulatory requirements can result in, among other things, loss of funding, warning letters, fines, injunctions, and civil penalties.

NOTE 10 – CONCENTRATION OF CREDIT RISK

The Organization maintains cash and cash equivalents with major financial institutions. At times, such amounts may exceed Federal Depository Insurance Corporation ("FDIC") limits. FDIC protection is \$250,000 per depositor, per insured bank, for each account ownership category. The Organization did not have uninsured cash balances for the year ended December 31, 2024.

The Organization received \$451,737 from two grantors, which amounts to approximately 52% of support and revenue received for the year ended December 31, 2024.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

Certain errors in previously issued financial statements were discovered and corrected in 2023 which resulted in an increase in the balance of net assets without donor restrictions.

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, December 31, 2023, as previously reported	\$ 25,819	\$ -	\$ 23,787
Adjustment for understatement in property and equipment, net ⁽¹⁾	11,142	-	11,142
Adjustment for understatement in security deposit ⁽²⁾	7,258	-	7,258
Adjustment for right-of-use asset/liability ⁽³⁾	5,387	-	5,387
Balance, December 31, 2023, as corrected	<u>\$ 49,606</u>	<u>\$ -</u>	<u>\$ 49,606</u>

- ⁽¹⁾ The Organization recorded a vehicle for \$13,000 as an expense for the year ended December 31, 2023. Since the vehicle was acquired at a cost of more than the capitalization threshold of \$2,500, the vehicle was reclassified as property and equipment for the year ended December 31, 2024. Additionally, depreciation expense was not recorded for the year ended December 31, 2023; thus, accumulated depreciation was increased by \$1,858.

Bithiah's Family Services

Notes to Financial Statements

NOTE 11 – PRIOR PERIOD ADJUSTMENT (continued)

- (2) The Organization did not record security deposits for two of its operating leases. The security deposits were recorded as an expense in prior years during the initial year of each lease; thus, security deposits were increased by \$7,258 with the correction.
- (3) The Organization did not properly record its right-of-use asset or lease liability for two of its office leases for the year ended December 31, 2023. The right-of-use asset exceeded the lease liability by \$5,387, due to prepayments on the office leases, which was corrected with a prior period adjustment to net assets without donor restrictions.

NOTE 12 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 10, 2025, the date which the accompanying financial statements were available to be issued. Management is not aware of any material subsequent events that would require adjustments or disclosures in the financial statements.