



## Notes on 2024-25 Financial Statements

**Change in Net Assets.** Although Wayfinder's audited change in net assets in the 2024-25 fiscal year was \$1.52 million, the actual operating surplus was \$311,792. This is because the audit includes nonoperating items such as unrealized gains or losses on investments and wills and bequests. The primary cause of the 2024-25 surplus was gains on investments.

When assessing the financial viability of the agency, looking at any one year can be misleading. However, an average of multiple years smooths out the fluctuations in investments, operations and non-recurring items, producing a more accurate assessment of the agency's financial results. Wayfinder's seven-year average change in net assets, from FY 2018-19 through 2024-25 was roughly \$590,000, or about 1% of expenses.

### **Current assets, cash on hand and investment portfolio**

Wayfinder's board requires 180 days of cash on hand. The largest portion of cash on hand is our investment portfolio, listed as "Investments" in the audit's Statement of Financial Position. Only \$420,000 of the investment portfolio is restricted for specific programs, so the bulk of the investment portfolio is unrestricted and is part of Wayfinder's current assets. While our cash and investments (cash equivalents) may appear to exceed 180 days, the board treats the investment portfolio as a quasi-endowment. We have been fortunate over the decades to have received estate gifts that enabled us to create and build our investment portfolio. We do not treat estate gifts as operating revenue. Instead, we take the disciplined approach of adding them to our investment portfolio. The investments are conservatively invested and closely monitored, but they do experience variances year to year in line with the dynamics of the stock market.

### **Board-approved draw from portfolio**

Annually, Wayfinder undergoes a rigorous budgeting process and presents a breakeven budget to the board. The operating budget excludes unpredictable items, such as non-recurring wills and bequests and gain or loss on investments, as well as noncash items, such as depreciation and in-kind donations. In addition, the breakeven budget includes a board preapproved draw from the portfolio for operations.



## **WAYFINDER FAMILY SERVICES**

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### **FINANCIAL STATEMENTS and ADDITIONAL INFORMATION**

**JUNE 30, 2025**

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## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors  
Wayfinder Family Services

### Opinion

We have audited the accompanying financial statements of Wayfinder Family Services (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2025, 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 Wayfinder Family Services as of June 30, 2025, 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, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wayfinder Family Services and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wayfinder Family Services' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## INDEPENDENT AUDITORS' REPORT

continued

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### 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 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 generally accepted auditing standards 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 Wayfinder 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wayfinder Family Services' 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.

## INDEPENDENT AUDITORS' REPORT

continued

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### Other Matter

#### *Report on Summarized Comparative Information*

We have previously audited Wayfinder Family Services' 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 6, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025, on our consideration of Wayfinder Family Services' 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 Wayfinder Family Services' 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 Wayfinder Family Services' internal control over financial reporting and compliance.

*Harrington Group*

Pasadena, California

November 21, 2025

# WAYFINDER FAMILY SERVICES

## STATEMENT OF FINANCIAL POSITION

June 30, 2025

With comparative totals at June 30, 2024

|                                                                      | Without Donor<br>Restrictions | With Donor<br>Restrictions | 2025                 | 2024                 |
|----------------------------------------------------------------------|-------------------------------|----------------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                        |                               |                            |                      |                      |
| Cash                                                                 | \$ 988,979                    | \$ 100,194                 | \$ 1,089,173         | \$ 829,883           |
| Accounts and grants receivable, net of allowance of \$782,033        | 4,822,354                     |                            | 4,822,354            | 4,977,296            |
| Pledges receivable (Note 4)                                          | 213,421                       |                            | 213,421              | 200,124              |
| Prepaid expenses and other assets                                    | 2,421,643                     |                            | 2,421,643            | 2,171,302            |
| Investments (Note 5)                                                 | 40,700,041                    | 419,880                    | 41,119,921           | 39,145,421           |
| Property held for investment                                         | 2,989,000                     |                            | 2,989,000            | 2,989,000            |
| Property and equipment (Note 7)                                      | 12,535,299                    |                            | 12,535,299           | 11,230,170           |
| Right-of-use assets - operating leases (Note 11)                     | 1,662,668                     |                            | 1,662,668            | 1,409,282            |
| <b>TOTAL ASSETS</b>                                                  | <u>\$ 66,333,405</u>          | <u>\$ 520,074</u>          | <u>\$ 66,853,479</u> | <u>\$ 62,952,478</u> |
| <b>LIABILITIES AND NET ASSETS</b>                                    |                               |                            |                      |                      |
| <b>LIABILITIES</b>                                                   |                               |                            |                      |                      |
| Accounts payable                                                     | \$ 581,983                    | \$ -                       | \$ 581,983           | \$ 365,234           |
| Accrued liabilities (Note 8)                                         | 8,324,932                     |                            | 8,324,932            | 6,615,823            |
| Accrued unemployment liability (Note 9)                              |                               |                            | -                    | 26,366               |
| Lease liabilities - operating lease (Note 11)                        | 1,711,980                     |                            | 1,711,980            | 1,414,326            |
| Line of credit (Note 10)                                             | 200,000                       |                            | 200,000              | -                    |
| <b>TOTAL LIABILITIES</b>                                             | <u>10,818,895</u>             | <u>-</u>                   | <u>10,818,895</u>    | <u>8,421,749</u>     |
| <b>NET ASSETS</b>                                                    |                               |                            |                      |                      |
| Without donor restrictions                                           | 2,279,170                     |                            | 2,279,170            | 3,958,621            |
| Without donor restrictions - property, plant, and equipment (Note 2) | 12,535,299                    |                            | 12,535,299           | 11,230,170           |
| Without donor restrictions - board designated (Note 2)               | 40,700,041                    |                            | 40,700,041           | 38,725,541           |
| With donor restrictions                                              |                               |                            |                      |                      |
| Purpose and time restrictions (Note 13)                              |                               | 100,194                    | 100,194              | 196,517              |
| Perpetual in nature (Note 14)                                        |                               | 419,880                    | 419,880              | 419,880              |
| <b>TOTAL NET ASSETS</b>                                              | <u>55,514,510</u>             | <u>520,074</u>             | <u>56,034,584</u>    | <u>54,530,729</u>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                              | <u>\$ 66,333,405</u>          | <u>\$ 520,074</u>          | <u>\$ 66,853,479</u> | <u>\$ 62,952,478</u> |

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

# WAYFINDER FAMILY SERVICES

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2025

With comparative totals for the year ended June 30, 2024

|                                                                      | Without Donor<br>Restrictions | With Donor<br>Restrictions | 2025                 | 2024                 |
|----------------------------------------------------------------------|-------------------------------|----------------------------|----------------------|----------------------|
| <b>REVENUE</b>                                                       |                               |                            |                      |                      |
| Private support                                                      |                               |                            |                      |                      |
| Other contributions                                                  | \$ 2,555,421                  | \$ 25,182                  | \$ 2,580,603         | \$ 1,853,171         |
| Wills and bequests                                                   | 1,713,103                     |                            | 1,713,103            | 551,683              |
| Trust income                                                         | 1,200,195                     |                            | 1,200,195            | 1,103,648            |
| Contributed property, goods, and services (Note 6)                   | 306,562                       |                            | 306,562              | 403,952              |
| Net assets released from restrictions (Note 13)                      | 199,769                       | (199,769)                  | -                    | -                    |
|                                                                      | <u>5,975,050</u>              | <u>(174,587)</u>           | <u>5,800,463</u>     | <u>3,912,454</u>     |
| Government fees and other revenue                                    |                               |                            |                      |                      |
| Government contracts, fees for service, and grants (Note 15)         | 38,696,590                    |                            | 38,696,590           | 35,470,686           |
| Other revenue                                                        | 346,417                       |                            | 346,417              | 189,607              |
|                                                                      | <u>39,043,007</u>             | <u>-</u>                   | <u>39,043,007</u>    | <u>35,660,293</u>    |
| Other changes                                                        |                               |                            |                      |                      |
| Gain on investments                                                  | 3,765,070                     |                            | 3,765,070            | 4,176,059            |
| Investment income, net of fees of \$121,997                          | 1,036,315                     | 78,264                     | 1,114,579            | 764,666              |
| Gain on sales of equipment                                           | 58,335                        |                            | 58,335               | 1,300                |
| Gain from court settlement (Note 19)                                 |                               |                            | -                    | 1,671,597            |
| Recovery of bad debt expense for employee retention credit (Note 18) |                               |                            | -                    | 1,667,430            |
|                                                                      | <u>4,859,720</u>              | <u>78,264</u>              | <u>4,937,984</u>     | <u>8,281,052</u>     |
| <b>TOTAL REVENUE</b>                                                 | <u>49,877,777</u>             | <u>(96,323)</u>            | <u>49,781,454</u>    | <u>47,853,799</u>    |
| <b>EXPENSES</b>                                                      |                               |                            |                      |                      |
| Program services                                                     |                               |                            |                      |                      |
| Early intervention program                                           | 1,208,814                     |                            | 1,208,814            | 1,438,227            |
| Special education school                                             | 1,850,234                     |                            | 1,850,234            | 1,543,851            |
| Group homes                                                          | 297,961                       |                            | 297,961              | 5,547,942            |
| Camp bloomfield and recreation                                       | 628,324                       |                            | 628,324              | 692,208              |
| Transition services                                                  | 115,474                       |                            | 115,474              | 95,590               |
| Older individuals who are blind                                      | 1,452,004                     |                            | 1,452,004            | 292,756              |
| Davidson program for independence                                    | 1,701,818                     |                            | 1,701,818            | 1,603,094            |
| Hatlen center                                                        | 584,673                       |                            | 584,673              | 674,012              |
| Temporary shelter care program                                       | 5,844,207                     |                            | 5,844,207            | 4,660,898            |
| The haven                                                            | 4,488,115                     |                            | 4,488,115            | 2,175,508            |
| Foster care and adoption                                             | 15,054,557                    |                            | 15,054,557           | 14,312,658           |
| Mental health services                                               | 6,580,641                     |                            | 6,580,641            | 4,952,420            |
| Public education program                                             | 510,734                       |                            | 510,734              | 469,757              |
| Strategic initiatives                                                | 429,961                       |                            | 429,961              | 549,924              |
| Total program services                                               | <u>40,747,517</u>             | <u>-</u>                   | <u>40,747,517</u>    | <u>39,008,845</u>    |
| Supporting services                                                  |                               |                            |                      |                      |
| Management and administrative                                        | 5,395,764                     |                            | 5,395,764            | 5,854,641            |
| Fundraising and public relations                                     | 2,134,318                     |                            | 2,134,318            | 1,728,422            |
| Total supporting services                                            | <u>7,530,082</u>              | <u>-</u>                   | <u>7,530,082</u>     | <u>7,583,063</u>     |
| <b>TOTAL EXPENSES</b>                                                | <u>48,277,599</u>             | <u>-</u>                   | <u>48,277,599</u>    | <u>46,591,908</u>    |
| <b>CHANGE IN NET ASSETS</b>                                          | 1,600,178                     | (96,323)                   | 1,503,855            | 1,261,891            |
| <b>NET ASSETS, BEGINNING OF YEAR</b>                                 | <u>53,914,332</u>             | <u>616,397</u>             | <u>54,530,729</u>    | <u>53,268,838</u>    |
| <b>NET ASSETS, END OF YEAR</b>                                       | <u>\$ 55,514,510</u>          | <u>\$ 520,074</u>          | <u>\$ 56,034,584</u> | <u>\$ 54,530,729</u> |

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



**WAYFINDER FAMILY SERVICES**

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2025

With comparative totals for the year ended June 30, 2024

|                                           | Early<br>Intervention<br>Program | Special<br>Education<br>School | Group Homes       | Camp<br>Bloomfield and<br>Recreation | Transition<br>Services | Older Individuals<br>Who are Blind | Davidson Program<br>for Independence | Hatten<br>Center  | Temporary<br>Shelter Care<br>Program | The Haven           | Foster Care and<br>Adoption | Mental Health<br>Services | Public<br>Education<br>Program | Strategic<br>Initiatives | Total Program<br>Services |
|-------------------------------------------|----------------------------------|--------------------------------|-------------------|--------------------------------------|------------------------|------------------------------------|--------------------------------------|-------------------|--------------------------------------|---------------------|-----------------------------|---------------------------|--------------------------------|--------------------------|---------------------------|
| Salaries                                  | \$ 787,775                       | \$ 936,889                     | \$ 51,248         | \$ 286,077                           | \$ 24,117              | \$ 715,796                         | \$ 1,015,986                         | \$ 274,070        | \$ 2,946,649                         | \$ 2,812,142        | \$ 8,244,396                | \$ 4,040,921              | \$ 295,649                     | \$ 2,204                 | \$ 22,433,919             |
| Payroll taxes                             | 60,905                           | 68,950                         | 9,281             | 21,177                               | 1,814                  | 52,297                             | 75,461                               | 21,399            | 218,294                              | 210,861             | 605,919                     | 307,481                   | 20,358                         | 160                      | 1,674,357                 |
| Employee benefits                         | 112,910                          | 169,125                        | 46,969            | 53,840                               | 3,252                  | 117,874                            | 174,546                              | 38,363            | 487,760                              | 416,802             | 1,290,495                   | 571,519                   | 53,629                         | 441                      | 3,537,525                 |
| Total personnel costs                     | 961,590                          | 1,174,964                      | 107,498           | 361,094                              | 29,183                 | 885,967                            | 1,265,993                            | 333,832           | 3,652,703                            | 3,439,805           | 10,140,810                  | 4,919,921                 | 369,636                        | 2,805                    | 27,645,801                |
| Professional fees                         | 26,313                           | 297,365                        | 24,159            | 31,516                               | 3,040                  | 70,593                             | 128,997                              | 22,463            | 1,192,210                            | 356,724             | 469,327                     | 392,442                   | 89,862                         | 255,220                  | 3,360,231                 |
| Supplies                                  | 60,539                           | 53,433                         | 9,615             | 21,214                               | 4,442                  | 347,653                            | 63,923                               | 35,088            | 225,834                              | 183,203             | 682,662                     | 330,965                   | 6,220                          | 41,929                   | 2,066,720                 |
| Foster family payments and reimbursements | 27                               | 42                             | 7                 | 14                                   | 3                      | 33                                 | 38                                   | 13                | 132                                  | 16,355              | 1,901,701                   | 149                       | 12                             | 7                        | 1,918,533                 |
| Rent                                      | 16,539                           | 27                             | 1,160             | 9                                    | 2                      | 21                                 | 25                                   | 111,916           | 86                                   | 66                  | 601,528                     | 124,364                   | 8                              | 4                        | 855,755                   |
| Insurance                                 | 25,115                           | 27,959                         | 8,050             | 8,258                                | 2,341                  | 20,970                             | 28,827                               | 8,713             | 89,065                               | 83,330              | 248,954                     | 119,243                   | 8,910                          | 66                       | 679,801                   |
| Maintenance                               | 721                              | 57,600                         | 21,474            | 9,589                                | 781                    | 9,532                              | 55,660                               | 14,924            | 119,984                              | 95,631              | 105,274                     | 33,321                    | 2,942                          | 31                       | 527,464                   |
| Training, dues, and subscriptions         | 14,709                           | 22,936                         | 5,070             | 9,860                                | 10,199                 | 6,881                              | 18,725                               | 4,729             | 47,914                               | 12,256              | 135,803                     | 110,379                   | 9,753                          | 78,077                   | 487,291                   |
| Utilities                                 | 2,159                            | 21,687                         | 6,102             | 6,714                                | 355                    | 16,823                             | 23,905                               | 9,843             | 68,301                               | 66,110              | 182,101                     | 81,730                    | 7,070                          | 48                       | 492,948                   |
| Travel and transportation                 | 67,452                           | 2,114                          | 378               | 1,552                                | 19,784                 | 41,116                             | 6,662                                | 14,952            | 9,922                                | 6,041               | 205,213                     | 76,756                    | 213                            | 1,546                    | 453,701                   |
| Event expenses                            | 11,458                           | 357                            | 30                | 133,976                              | 39,276                 | 79                                 | 1,130                                | 1,629             | 407                                  | 21,372              | 85,270                      | 5,415                     | 200                            | 1,180                    | 301,779                   |
| Telephone                                 | 10,745                           | 9,705                          | 10,659            | 4,929                                | 910                    | 6,012                              | 14,199                               | 9,862             | 26,799                               | 51,103              | 99,705                      | 47,024                    | 1,933                          | 262                      | 293,847                   |
| Bad debt                                  |                                  |                                | 4,315             |                                      | 2                      |                                    |                                      | 300               |                                      |                     | 30,466                      | 279,052                   |                                |                          | 314,135                   |
| Publication and media                     | 94                               | 199                            | 2                 | 2                                    |                        | 6                                  | 10                                   | 295               | 245                                  | 2,471               | 7,340                       | 1,668                     | 10,738                         | 6,484                    | 29,554                    |
| Contract food services                    | 1,321                            | 21,290                         | 4,923             | 1,765                                | 3,579                  | 1,043                              | 59,746                               | 338               | 81,261                               | 88,991              | 492                         | 1,823                     |                                |                          | 266,572                   |
| Other expenses                            | 396                              | 540                            | 57                | 405                                  | 6                      | 2,895                              | 1,803                                | 306               | 8,837                                | 1,784               | 12,781                      | 10,054                    | 30                             | 4                        | 39,898                    |
| Program transportation and lodging        | 7                                | 24,920                         | 528               | 7,992                                | 1,117                  | 22,838                             | 9,945                                | 6,315             | 1,346                                | 45,821              | 1,957                       | 1,266                     | 29                             |                          | 124,081                   |
| Postage                                   | 2,311                            | 574                            | 42                | 179                                  | 85                     | 549                                | 396                                  | 691               | 1,321                                | 821                 | 29,292                      | 4,527                     | 133                            | 2                        | 40,923                    |
| Taxes and licenses                        | 16                               | 4,935                          | 6,550             | 4,127                                | 46                     | 1,853                              | 775                                  | 4,377             | 438                                  | 1,401               | 17,257                      | 138                       | 7                              | 41,972                   | 83,892                    |
| Interest                                  |                                  |                                |                   |                                      |                        |                                    |                                      |                   |                                      |                     |                             |                           |                                |                          | -                         |
| Direct mail marketing                     |                                  |                                |                   |                                      |                        |                                    |                                      |                   |                                      |                     |                             |                           |                                |                          | -                         |
| Total expenses before depreciation        | 1,201,512                        | 1,720,647                      | 210,619           | 603,195                              | 115,151                | 1,434,864                          | 1,680,759                            | 580,586           | 5,526,805                            | 4,473,285           | 14,957,933                  | 6,540,237                 | 507,696                        | 429,637                  | 39,982,926                |
| Depreciation                              | 7,302                            | 129,587                        | 87,342            | 25,129                               | 323                    | 17,140                             | 21,059                               | 4,087             | 317,402                              | 14,830              | 96,624                      | 40,404                    | 3,038                          | 324                      | 764,591                   |
| <b>TOTAL 2025 FUNCTIONAL EXPENSES</b>     | <b>\$ 1,208,814</b>              | <b>\$ 1,850,234</b>            | <b>\$ 297,961</b> | <b>\$ 628,324</b>                    | <b>\$ 115,474</b>      | <b>\$ 1,452,004</b>                | <b>\$ 1,701,818</b>                  | <b>\$ 584,673</b> | <b>\$ 5,844,207</b>                  | <b>\$ 4,488,115</b> | <b>\$ 15,054,557</b>        | <b>\$ 6,580,641</b>       | <b>\$ 510,734</b>              | <b>\$ 429,961</b>        | <b>\$ 40,747,517</b>      |
| TOTAL 2024 FUNCTIONAL EXPENSES            | \$ 1,438,227                     | \$ 1,543,851                   | \$ 5,547,942      | \$ 692,208                           | \$ 95,590              | \$ 292,756                         | \$ 1,603,094                         | \$ 674,012        | \$ 4,660,898                         | \$ 2,175,508        | \$ 14,312,658               | \$ 4,952,420              | \$ 469,757                     | \$ 549,924               | \$ 39,008,845             |

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

# WAYFINDER FAMILY SERVICES

## STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2025  
With comparative totals for the year ended June 30, 2024  
continued

|                                           |                              | Supporting Services                 |                                        |                                 | Total Expenses       |               |
|-------------------------------------------|------------------------------|-------------------------------------|----------------------------------------|---------------------------------|----------------------|---------------|
|                                           | Total<br>Program<br>Services | Management<br>and<br>Administrative | Fundraising<br>and<br>Public Relations | Total<br>Supporting<br>Services | 2025                 | 2024          |
| Salaries                                  | \$ 22,433,919                | \$ 2,800,923                        | \$ 1,006,335                           | \$ 3,807,258                    | \$ 26,241,177        | \$ 25,838,110 |
| Payroll taxes                             | 1,674,357                    | 181,747                             | 67,368                                 | 249,115                         | 1,923,472            | 1,804,867     |
| Employee benefits                         | 3,537,525                    | 446,916                             | 171,541                                | 618,457                         | 4,155,982            | 4,060,802     |
| Total personnel costs                     | 27,645,801                   | 3,429,586                           | 1,245,244                              | 4,674,830                       | 32,320,631           | 31,703,779    |
| Professional fees                         | 3,360,231                    | 771,493                             | 206,878                                | 978,371                         | 4,338,602            | 3,386,311     |
| Supplies                                  | 2,066,720                    | 217,068                             | 118,714                                | 335,782                         | 2,402,502            | 1,894,767     |
| Foster family payments and reimbursements | 1,918,533                    |                                     |                                        | -                               | 1,918,533            | 2,893,714     |
| Rent                                      | 855,755                      | 44,310                              |                                        | 44,310                          | 900,065              | 934,710       |
| Insurance                                 | 679,801                      | 86,243                              | 29,278                                 | 115,521                         | 795,322              | 679,297       |
| Maintenance                               | 527,464                      | 210,371                             | 10,484                                 | 220,855                         | 748,319              | 759,106       |
| Training, dues, and subscriptions         | 487,291                      | 84,913                              | 23,397                                 | 108,310                         | 595,601              | 491,868       |
| Utilities                                 | 492,948                      | 58,619                              | 25,186                                 | 83,805                          | 576,753              | 517,236       |
| Travel and transportation                 | 453,701                      | 53,016                              | 10,734                                 | 63,750                          | 517,451              | 471,778       |
| Event expenses                            | 301,779                      | 45                                  | 79,004                                 | 79,049                          | 380,828              | 336,635       |
| Telephone                                 | 293,847                      | 31,659                              | 8,004                                  | 39,663                          | 333,510              | 326,440       |
| Bad debt                                  | 314,135                      |                                     |                                        | -                               | 314,135              | 129,708       |
| Publication and media                     | 40,923                       | 1,336                               | 250,268                                | 251,604                         | 292,527              | 54,239        |
| Contract food services                    | 266,572                      | 463                                 | 48                                     | 511                             | 267,083              | 333,617       |
| Other expenses                            | 39,898                       | 104,617                             | 26,044                                 | 130,661                         | 170,559              | 202,111       |
| Program transportation and lodging        | 124,081                      | 8,835                               | 95                                     | 8,930                           | 133,011              | 165,562       |
| Postage                                   | 29,554                       | 9,616                               | 89,698                                 | 99,314                          | 128,868              | 116,676       |
| Taxes and licenses                        | 83,892                       | 36,307                              | 2,671                                  | 38,978                          | 122,870              | 103,312       |
| Interest                                  | -                            | 22,538                              |                                        | 22,538                          | 22,538               | 23,037        |
| Direct mail marketing                     | -                            |                                     | 4                                      | 4                               | 4                    | 274,090       |
| Total expenses before depreciation        | 39,982,926                   | 5,171,035                           | 2,125,751                              | 7,296,786                       | 47,279,712           | 45,797,993    |
| Depreciation                              | 764,591                      | 224,729                             | 8,567                                  | 233,296                         | 997,887              | 793,915       |
| <b>TOTAL 2025 FUNCTIONAL EXPENSES</b>     | <b>\$ 40,747,517</b>         | <b>\$ 5,395,764</b>                 | <b>\$ 2,134,318</b>                    | <b>\$ 7,530,082</b>             | <b>\$ 48,277,599</b> |               |
| TOTAL 2024 FUNCTIONAL EXPENSES            | \$ 39,008,845                | \$ 5,854,641                        | \$ 1,728,422                           | \$ 7,583,063                    |                      | \$ 46,591,908 |

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

# WAYFINDER FAMILY SERVICES

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2025

With comparative totals for the year ended June 30, 2024

|                                                                                                    | 2025                | 2024               |
|----------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>CASH FLOWS (TO) FROM OPERATING ACTIVITIES:</b>                                                  |                     |                    |
| Change in net assets                                                                               | \$ 1,503,855        | \$ 1,261,891       |
| Adjustments to reconcile change in net assets to net cash (used) provided by operating activities: |                     |                    |
| Depreciation                                                                                       | 997,887             | 793,915            |
| (Gain) on investments                                                                              | (3,765,070)         | (4,176,059)        |
| Investment income, net of fees                                                                     | (1,114,579)         | (764,666)          |
| (Gain) on disposal of property and equipment                                                       | (58,335)            | (1,300)            |
| Amortization of right-of-use assets - operating leases                                             | 725,954             | 811,645            |
| Reduction of lease liabilities - operating leases                                                  | (681,686)           | (814,531)          |
| Change in allowance for doubtful accounts                                                          | -                   | (472,576)          |
| (Increase) decrease in operating assets:                                                           |                     |                    |
| Accounts and grants receivable                                                                     | 154,942             | 971,679            |
| Employee retention credit                                                                          | -                   | 7,067,754          |
| Pledges receivable                                                                                 | (13,297)            | 237,151            |
| Prepaid expenses                                                                                   | (250,341)           | (192,183)          |
| Increase (decrease) in operating liabilities:                                                      |                     |                    |
| Accounts payable                                                                                   | 216,749             | (27,611)           |
| Accrued liabilities                                                                                | 1,709,109           | 403,042            |
| Accrued unemployment liability                                                                     | (26,366)            | 26,366             |
| <b>NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES</b>                                            | <b>(601,178)</b>    | <b>5,124,517</b>   |
| <b>CASH FLOWS FROM (TO) INVESTING ACTIVITIES:</b>                                                  |                     |                    |
| Proceeds from sale of investments                                                                  | 3,803,309           | 4,713,258          |
| Purchase of investments                                                                            | (898,160)           | (8,621,047)        |
| Proceeds from sale of property and equipment                                                       | 58,335              | 1,300              |
| Purchase of property and equipment                                                                 | (2,303,016)         | (1,251,616)        |
| <b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>                                            | <b>660,468</b>      | <b>(5,158,105)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                                       |                     |                    |
| Proceeds from line of credit                                                                       | 1,300,000           | -                  |
| Principal payments on line of credit                                                               | (1,100,000)         | -                  |
| <b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>                                                   | <b>200,000</b>      | <b>-</b>           |
| <b>NET INCREASE (DECREASE) IN CASH</b>                                                             | <b>259,290</b>      | <b>(33,588)</b>    |
| <b>CASH, BEGINNING OF YEAR</b>                                                                     | <b>829,883</b>      | <b>863,471</b>     |
| <b>CASH, END OF YEAR</b>                                                                           | <b>\$ 1,089,173</b> | <b>\$ 829,883</b>  |
| <b>NON-CASH OPERATING ACTIVITIES:</b>                                                              |                     |                    |
| Right-of-use asset/liability from addition and modification of leases                              | \$ 979,340          | \$ 1,416,578       |

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

# WAYFINDER FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

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### 1. Organization

Wayfinder Family Services' ("Wayfinder") mission is to ensure that children, youth and adults facing challenges always have a place to turn. Founded in 1953 as the Foundation for the Junior Blind, the organization initially enabled blind and visually impaired children to lead fuller, more independent lives. In response to community needs, Wayfinder expanded programs for children, youth and adults with vision loss or profound special needs and serious medical conditions; children and infants who have experienced loss and trauma; foster youth in search of homes and opportunity; and adoptive families. To reflect the evolution in our programs, we became Wayfinder Family Services in 2018. Wayfinder provides expert, individualized support and services for people facing life's greatest challenges. We are committed to treating the whole person, not just the problem, and to addressing the social drivers of health, which are the social and physical conditions that impact people's lives and well-being. With our long history, deep expertise and reach across the state of California, Wayfinder is uniquely positioned to provide life-changing resources for the members of our community who need them most. No other human services agency is addressing these complex, intersecting issues in California. Wayfinder is one of the largest statewide foster care and adoption agencies in California, and we provide services to more children who are blind than any other nonprofit in California. Wayfinder offers all services at no cost to children, adults and their families.

### Visual Impairment and Disabilities

- Wayfinder's statewide Child Development Services provides early intervention in person to children birth to age 3 with vision impairment or multiple disabilities. Young children maximize any vision they have and reduce developmental delays. Parents learn to provide their child with therapeutic stimulation and to advocate for their child's education and care.
- Wayfinder's *Special Education School* offers children and youth, ages 5 to 22, who are visually impaired or have moderate-to-severe disabilities, a safe, positive environment for learning and growth. In the least restrictive environment in our state-certified, non-public school, teachers develop students' communication, mobility and functional skills to increase their independence..
- Camp Bloomfield and Recreation
  - Wayfinder's *Camp Bloomfield* provides children and youth who are blind, visually impaired, multi-disabled with memorable experiences in the outdoors. The camp program offers activities adapted for children of all ages and abilities that develop self-esteem and build independence.
  - Wayfinder offers empowering *sports, recreation and outdoor adventures* that are adapted for children and teens with disabilities.
- *Transition Services* enables teenagers and young adults who are blind or visually impaired to explore careers and successfully transition to independent living, college or the workforce. The program offers weekend workshops across California, and a four-week, in-person summer program in classrooms and dorms on the Cal State Los Angeles campus to increase workforce readiness and academic preparation.

continued

# WAYFINDER FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

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### 1. **Organization**, continued

- *Davidson Program for Independence* on Wayfinder's Los Angeles campus and the *Hatlen Center for the Blind* in Sacramento in Northern California are comprehensive residential rehabilitation programs for adults ages 18 and older who are blind or visually impaired, many with recent vision loss. Participants learn assistive technology, orientation and mobility (white cane and safe travel), braille, and independent living skills. Each client pursues individualized goals that lead to a confident transition to an independent life and education or employment.
- *Assistive Technology Training* provides instruction on the latest assistive technology devices and software for success in today's job market to adults with vision loss, ages 18 and older.
- *Employment Services* teaches adults who are blind or visually impaired the skills they need to join or rejoin the workforce. Clients receive assessments, training and job placement, as well as coaching and instruction in orientation and mobility to find and keep jobs. Clients emerge as competitive candidates in the workforce. Also, Wayfinder helps employers adapt workspaces to increase accessibility.
- *Older Individuals who are Blind (OIB)* provides adults ages 55+ who are visually impaired with training in areas like the use of assistive technology, orientation and mobility so they can care for themselves, live independently and navigate their community.

### **Child Welfare**

- Wayfinder's *Temporary Shelter Care* program, also known as *The Cottage*, is a 10-day shelter on our Los Angeles campus for children, ages 0 through 17, who have just been removed from their homes due to abuse or neglect. These children need temporary refuge until they can be placed with family members or foster families. Our professional staff stabilize children in crisis so they are ready to transition to a placement. Wayfinder is one of only four agencies selected by the Los Angeles County Department of Children and Family Services to provide this service—and the only one that accepts infants and toddlers.
- Wayfinder's statewide *Foster Care and Adoption* programs match children and youth who have been displaced from their homes due to abuse or neglect with families that can provide safe, caring homes. Wayfinder recruits, trains and certifies resource (foster) families, some of whom ultimately adopt the children they foster. Also, Wayfinder offers therapeutic adoption support that includes case management, mental health therapy and mentoring to children and their adoptive families during and after adoption to promote stability and permanency.
- The *Kinship Support Services Program* supports grandparents, extended family members or close family friends who step up to raise children so they avoid the trauma of separation from their birth family. The program also assists kinship families that form voluntarily, without the assistance of a child welfare agency. Our program offers counseling, assistance with basic needs, support groups and workshops, respite resources and more.

continued

# WAYFINDER FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

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### 1. **Organization**, continued

- Our *Family Finding Services* search exhaustively for relatives or people close to children in foster care so they can establish supportive connections. “Upfront family finding” strives to locate relatives or family friends soon after a child is removed from the home, rather than the older model of finding connections when a youth is in danger of leaving foster care without family connections.
- *Promoting Safe and Stable Families* and *Child and Family Development* provide counseling and support services to prevent at-risk children from entering foster care. Parents whose children are in foster care receive *Supervised Visitation and Coaching* services to strengthen parenting and sustain family ties. The Psychosocial Assessment Program assesses resource families, including adoptive families, by completing resource family evaluations within county timeframes.
- *The Haven* provides long-term foster care, a group home and family finding for children and youth, ages 0-17, who enter the country unaccompanied by family. Our staff offer child-centered, trauma-informed services to refugee children, who have complex, intertwined needs, including health, mental health, behavioral, developmental or physical disabilities. We increase children’s stability while locating capable relatives or a foster family.
- *Families referred to Family Preservation* are at risk of having children removed from their home. Through intensive counseling and other services, parents recognize their triggers and learn how to prevent the behaviors that destabilize their family. As a result of Family Preservation, children avoid out-of-home placement or reentry to foster care and can thrive in their nurturing families.

### **Medical and Mental Health**

- *Mental Health* offers therapy to children, youth, adults and families in our programs, including traumatized foster youth in The Cottage and The Haven. Also, Wayfinder remains one of only a handful of organizations in the state that offers mental health services to people with disabilities. Our counselors help clients build skills to cope with vision loss, traumatic experiences, unstable environments, abuse, neglect and more. Wayfinder’s community mental health services assist residents in need in Los Angeles, Butte and Shasta Placer counties. Our mental health care in the community is focused on preventative services to help build resilient individuals and families.
- Wayfinder’s *Medical Center* provides 24-hour services to children in our The Cottage, as well as children and young adults in Wayfinder’s Group Homes and Special Education School. Many have complex, intertwined medical, mental health and behavioral needs, which our medical staff are adept at addressing. Medical department staff includes nurses and a psychiatrist, and we contract with a nurse practitioner, endocrinologist and behavioral psychologist.

### **Public Education Program**

- Through public education, Wayfinder informs and educates students, families, professionals and community members about important issues surrounding disabilities and child welfare.

continued

# WAYFINDER FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

#### **Basis of Presentation**

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

#### **Net Assets**

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

**Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**Without Donor Restrictions – Property, Plant, and Equipment.** These are assets that have been set aside for property and equipment replacement. For purposes of complying with net asset accounting, this fund is included in net assets without donor restrictions at June 30, 2025, with a balance of \$12,535,299.

**Without Donor Restrictions – Board designated.** These are comprised of resources that the Board of Directors has established as being designated for particular purposes. For purposes of complying with net asset accounting, this fund is included in net assets without donor restrictions at June 30, 2025, with a balance of \$40,700,041.

**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 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. At June 30, 2025, Wayfinder has \$520,074 in net assets with donor restrictions.

# WAYFINDER FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### **Accounts Receivable**

Wayfinder uses the allowance method in order to reserve for potential uncollectible accounts receivable.

#### **Contributions and Pledges Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded as net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

#### **Investments**

Wayfinder values its investments at fair value. Gains or losses (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as gain (loss) on investments. Net investment activity (income net of market losses and fees of \$121,997) of \$4,879,649 is reflected in the Statement of Activities. Cash and/or money market funds not used for operations are included in investments.

#### **Fair Value Measurements**

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

Wayfinder is required to measure current year pledges, certain investments, and in-kind contributions at fair value. The specific techniques used to measure fair value for these financial statement elements are described in the notes below that relate to each element.

continued



# WAYFINDER FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Concentration of Credit Risks

Wayfinder places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. Wayfinder has not incurred losses related to these investments.

The primary receivable balance outstanding at June 30, 2025 consists of government contract receivables due from county, state, and federal granting agencies. Concentration of credit risk with respect to trade receivables are limited, as the majority of Wayfinder's receivables consist of earned fees from contract programs granted by governmental agencies.

Wayfinder holds investments in the form of equities, fixed income securities, and money market funds. The Board of Directors routinely reviews market values of such investments.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Market risks include global events which could impact the value of investments securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the values of investments securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Financial Position.

#### Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred.

Property and equipment are capitalized if the cost of an asset is greater than or equal to five thousand dollars and the useful life is greater than one year.

Wayfinder reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of the property and equipment may not be recoverable.

#### Revenue and Revenue Recognition

Wayfinder recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of Wayfinder's revenue is derived from cost-reimbursable state, county or local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Wayfinder has incurred expenditures in compliance with specific contract or grant provisions.

continued

## WAYFINDER FAMILY SERVICES

### NOTES TO FINANCIAL STATEMENTS

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#### 2. Summary of Significant Accounting Policies, continued

##### **Donated Materials and Services**

Wayfinder recognized nonfinancial assets within revenue, including clothing, household goods, equipment, licenses, and services. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed clothing and household goods and supplies were utilized in the following programs: transitional shelter care, group homes, foster care and adoption, and blind babies. The value of these donated items was determined on the basis of wholesale values that would be received for selling similar products in the United States.

Contributed equipment was used in the vision program to assist clients who are vision impaired. The value of this equipment was determined on the basis of wholesale values that would be received for selling similar products in the United States.

Contributed licenses were used in the general and administrative areas of the organization. The value of the licenses was determined on the basis of wholesale values that would be received for selling similar products in the United States.

Contributed services were for legal fees that were used in general and administrative areas of the organization as well as the camp and recreation program. The value of the services was determined on the basis of what would have been paid to the law firms for the same services received.

The value of in-kind contributions received for the year ended June 30, 2025 was \$306,562. Of this amount, \$139,340 is related to legal services and \$167,222 to donated materials, and is included in professional fees and supplies on the Statement of Functional Expenses, respectively.

##### **Income Taxes**

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

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by Wayfinder in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. Wayfinder's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

# WAYFINDER FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Functional Allocation of Expenses

Costs of providing Wayfinder's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or shared. Shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. Wayfinder uses percentage of use, salaries, number of employees, number of meals served, mileage and direct costs to allocate indirect costs.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

#### Leases

Wayfinder applies Accounting Standards Codification ("ASC") 842, *Leases*, in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property, plant, or equipment for a period of time in excess of twelve months in exchange for consideration. Wayfinder defines control of the asset as the right to obtain substantially all of the economic benefits from use of the identified asset as well as the right to direct the use of the identified asset. Wayfinder further determined some existing leases are operating leases, which are included in Right-of-Use ("ROU") assets and lease liabilities in the Statement of Financial Position.

#### Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Wayfinder's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

#### Subsequent Events

Management has evaluated subsequent events through November 21, 2025, the date which the financial statements were made available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

# WAYFINDER FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

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### 3. Liquidity and Availability of Resources

Wayfinder regularly monitors the availability of resources required to meet its operating needs and other commitments, while striving to maximize return on investments of its available funds. Further, as part of its liquidity management the board has approved a days-of-cash on hand policy and reviews the investments regularly. As an additional source of liquidity, Wayfinder has a \$3 million line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Wayfinder considers all expenditures related to its ongoing activities and the pattern of income from grants, contracts, fundraising, and investments. The Finance Committee of the Board of Directors meets regularly to review all financial aspects of Wayfinder.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

|                                     |                     |
|-------------------------------------|---------------------|
| Cash                                | \$ 988,979          |
| Accounts and grants receivable, net | 4,822,354           |
| Investments                         | <u>40,700,041</u>   |
| Financial assets at year-end        | <u>\$46,511,374</u> |

Permanently restricted gifts, in which the original gift is never to be used, are invested and income from these gifts are restricted for specific programs. These gifts total \$419,880 and are not available for use.

Donor-restricted gifts or board-designated amounts in which the funds are to be used for a specific purpose are invested and not available for general expenditures.

### 4. Pledges Receivable

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Additionally, all pledges are valued at their estimated fair value and are deemed fully collectible. Accordingly, no allowance for uncollectible pledges has been recorded as of June 30, 2025. Discounts, when appropriate, on those amounts are computed using Internal Revenue Service life expectancy index applicable to the years in which the promises are received. Total amount of pledges receivable at June 30, 2025 is \$213,421, which are due in one year.

## WAYFINDER FAMILY SERVICES

### NOTES TO FINANCIAL STATEMENTS

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#### 5. Investments

Investments as of June 30, 2025 consists of the following:

|                         |                     |
|-------------------------|---------------------|
| U.S. domestic composite | \$21,322,568        |
| Fixed income composite  | 13,226,519          |
| Foreign stocks          | 5,613,791           |
| Private debt            | 864,578             |
| Money market            | <u>92,465</u>       |
| Total                   | <u>\$41,119,921</u> |

#### 6. Fair Value Measurements

The table below presents the balances of assets or liabilities measured at fair value as of June 30, 2025 on a recurring basis:

|                | <u>Level 1</u>      | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
|----------------|---------------------|----------------|----------------|---------------------|
| U.S. stocks    | \$21,322,568        | \$ -           | \$ -           | \$21,322,568        |
| Fixed income   | 13,226,519          |                |                | 13,226,519          |
| Foreign stocks | 5,613,791           |                |                | 5,613,791           |
| Private debt   | <u>864,578</u>      | <u>      </u>  | <u>      </u>  | <u>864,578</u>      |
| Total          | <u>\$41,027,456</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$41,027,456</u> |

The fair values of U.S. stocks, fixed income, foreign stocks, and private debt have been measured on a recurring basis using quoted prices for identical assets in active markets (Level 1 inputs).

The table below presents the transaction measured at fair value on a non-recurring basis as of June 30, 2025:

|                                              | <u>Level 1</u> | <u>Level 2</u>   | <u>Level 3</u> | <u>Total</u>     |
|----------------------------------------------|----------------|------------------|----------------|------------------|
| Contributed property, goods,<br>and services | <u>\$ -</u>    | <u>\$306,562</u> | <u>\$ -</u>    | <u>\$306,562</u> |

The fair value of contributed property, goods, and services have been measured on a non-recurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs).

continued

## WAYFINDER FAMILY SERVICES

### NOTES TO FINANCIAL STATEMENTS

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#### 7. Property and Equipment

Property and equipment as of June 30, 2025 consist of the following:

|                                     | <b>Wayfinder<br/>Facilities</b> | <b>Camp<br/>Bloomfield</b> | <b>Total</b>         |
|-------------------------------------|---------------------------------|----------------------------|----------------------|
| Land and land improvements          | \$ 2,822,020                    | \$1,850,000                | \$ 4,672,020         |
| Buildings and building improvements | 19,301,735                      |                            | 19,301,735           |
| Furniture and equipment             | 7,414,221                       |                            | 7,414,221            |
| Computer equipment                  | 1,212,507                       |                            | 1,212,507            |
| Vehicles                            | 1,173,429                       |                            | 1,173,429            |
| Software                            | 36,159                          |                            | 36,159               |
| Construction in progress            | <u>1,237,998</u>                | <u></u>                    | <u>1,237,998</u>     |
|                                     | 33,198,069                      | 1,850,000                  | 35,048,069           |
| Less: accumulated depreciation      | <u>(22,512,770)</u>             | <u></u>                    | <u>(22,512,770)</u>  |
|                                     | <u>\$ 10,685,299</u>            | <u>\$1,850,000</u>         | <u>\$ 12,535,299</u> |

Included in the total fixed assets, under Wayfinder facilities, is property held for investment with a value of \$2,989,000. Therefore, property and equipment (used for operations) at June 30, 2025 is \$12,535,299.

#### 8. Accrued Liabilities

Accrued liabilities as of June 30, 2025 consist of the following:

|                             |                    |
|-----------------------------|--------------------|
| 457(b) liability            | \$1,849,099        |
| Contract advances           | 1,738,787          |
| Accrued payroll and taxes   | 1,136,926          |
| Accrued vacation            | 1,074,499          |
| Accrued legal fee           | 977,620            |
| Government fees overpayment | 883,771            |
| Other accrued liabilities   | 433,530            |
| Accrued invoices            | <u>230,700</u>     |
|                             | <u>\$8,324,932</u> |

#### 9. Accrued Unemployment Liability

Wayfinder has elected to be self-insured for the purposes of California State Unemployment Insurance. Estimated accrued unemployment liability represents estimated future claims arising from payroll paid. At June 30, 2025, there is no accrued unemployment liability.

continued

## WAYFINDER FAMILY SERVICES

### NOTES TO FINANCIAL STATEMENTS

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#### 10. Line of Credit

Wayfinder has a revolving line of credit with a bank in the amount of \$3,000,000, bearing interest at SOFR + 2% or PRIME, with a maturity date of March 1, 2026. The revolving line of credit is secured by accounts receivable, general intangibles, inventory and equipment. At June 30, 2025, the outstanding balance is \$200,000.

#### 11. Right-of-Use Assets and Lease Liabilities - Operating Leases

Wayfinder evaluated current office and equipment contracts to determine which met the criteria of a lease. The ROU assets represents Wayfinder's right to use underlying assets for the lease term and the lease liabilities represent Wayfinder's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. Wayfinder made an election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. Lease terms, in the calculations, may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense is recognized on a straight-line basis over the lease term. The additions and modification of ROU assets and lease liabilities during the fiscal year 2025, were both \$979,340.

Wayfinder's operating leases consist of real property, office equipment, and vehicles. The ROU assets and leases liabilities for these leases were determined based on the current terms in force as of June 30, 2025. No additional options have been included.

Cash paid for the operating leases for the year ended June 30, 2025 was \$744,025. The Organization entered into a few lease modification and new leases, which was accounted for as a non-cash financing transaction during the year ended June 30, 2025.

For the year ended June 30, 2025, the weighted average of discounted rate is 3.96%, and the weighted average of remaining leases term is approximately 2.47 years.

Future maturities of the lease liabilities are as follows:

| <u>Year ending June 30,</u>  |                    |
|------------------------------|--------------------|
| 2026                         | \$ 821,937         |
| 2027                         | 585,839            |
| 2028                         | 306,386            |
| 2029                         | 59,919             |
| 2030                         | <u>20,953</u>      |
| Total lease payments         | 1,795,034          |
| Less: present value discount | <u>(83,054)</u>    |
|                              | <u>\$1,711,980</u> |

continued

# WAYFINDER FAMILY SERVICES

## NOTES TO FINANCIAL STATEMENTS

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### 11. Right-of-Use Assets and Lease Liabilities - Operating Leases, continued

The underlying ROU asset related to the above liability is as follows:

|                                    |                    |
|------------------------------------|--------------------|
| ROU asset balance at July 1, 2024  | \$1,409,282        |
| Add: new and modified leases       | 979,340            |
| Less: amortization of lease        | <u>(725,954)</u>   |
| ROU asset balance at June 30, 2025 | <u>\$1,662,668</u> |

Lease expense under operating leases of facilities and vehicles for the year ended June 30, 2025 was \$788,285.

### 12. Contingencies and Risks

#### Contracts and Grants

Wayfinder's contracts and grants are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously-funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated, however, at June 30, 2025, Wayfinder has established an allowance for possible disallowance of program costs and/or uncollectable of receivables in the amount of \$776,174.

#### Litigation

Certain lawsuits and claims involving ordinary routine employment practices incidental to its business are pending against Wayfinder. Although the outcome of these matters cannot be foreseen at the date of our report, management recorded an estimated possible liability which is included in the Statement of Financial Position.

### 13. Net Assets With Donor Restrictions

Net assets with restrictions as of June 30, 2025 consist of the following:

|                      |                  |
|----------------------|------------------|
| Purpose restrictions | <u>\$100,194</u> |
|----------------------|------------------|

For the year ended June 30, 2025, net assets released from program restrictions were \$199,769.

continued



## WAYFINDER FAMILY SERVICES

### NOTES TO FINANCIAL STATEMENTS

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#### 14. Net Assets With Donor Restrictions – Perpetual in Nature - Endowment Funds

Net assets perpetual in nature represents contributions which the donor has stipulated that the principal is to be kept intact in perpetuity and only the interest and dividends from there may be expended for the needs of the organization and children. As of June 30, 2025, net assets with donor restrictions – perpetual in nature were \$419,880.

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Wayfinder has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Wayfinder classifies as net assets with donor restrictions – perpetual in nature (a) the original value of the gifts to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portions of the donor restricted endowment fund that is not classified in net assets with donor restrictions – perpetual in nature is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Wayfinder in a manner consistent with the standard of prudence prescribed by UPMIFA.

Endowment net assets composition by type of fund as of June 30, 2025 is as follows:

|                                  | <b>With Donor<br/>Restrictions</b> |
|----------------------------------|------------------------------------|
| Donor restricted endowment funds | <u>\$419,880</u>                   |

No changes in endowment net assets as of June 30, 2025.

## WAYFINDER FAMILY SERVICES

### NOTES TO FINANCIAL STATEMENTS

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#### 15. Government Contracts, Fees for Service, and Grants

Government contracts and fees for service, and grants as of June 30, 2025 consist of the following:

|                                                                         |                     |
|-------------------------------------------------------------------------|---------------------|
| California Department of Social Services                                | \$14,206,767        |
| Department of Mental Health                                             | 7,377,008           |
| Unaccompanied Children                                                  | 4,616,654           |
| Department of Rehabilitation (States of California, Alaska, and Nevada) | 2,435,139           |
| Department of Education                                                 | 1,641,318           |
| Special Education Services                                              | 1,436,911           |
| Sac KSSP II                                                             | 1,106,637           |
| Maryleen Allen Promoting Safe and Stable Families                       | 1,078,941           |
| Yoyo Visitation                                                         | 999,939             |
| Monterey KSSP/FF                                                        | 648,298             |
| Family Preservation Program                                             | 638,963             |
| Family Connection Grants                                                | 389,742             |
| CCC FF (RFA)                                                            | 303,996             |
| CCC KSSP                                                                | 476,658             |
| Sonoma KSSP                                                             | 337,939             |
| Placer HTS                                                              | 296,910             |
| Placer – BeWell                                                         | 327,300             |
| Shasta SD/FF                                                            | 267,998             |
| Medical Administrative Activities                                       | 97,990              |
| Department of Education – nutrition program                             | 11,482              |
|                                                                         | <u>\$38,696,590</u> |

#### 16. Perpetual Charitable Trust

Wayfinder was made a beneficiary of a perpetual charitable trust in 1985. According to the trust agreement, Wayfinder is entitled to one-sixth of the net income generated from a Texas oil property and related investments. Due to the nature of the property, the fair value of this contribution cannot be determined at this time. Accordingly, the value of future income to be received from the trust has not been recorded in the accompanying financial statements and income generated from the trust is recognized as income when received.

#### 17. Employee Benefit Plans

Wayfinder has a 401(k) profit sharing plan covering all employees who worked at least three months during the plan year and are eligible to participate in the plan. Wayfinder matches up to 4% of the employee's deferred salary as approved by the plan documents. The 401(k) profit sharing plan expense for the year ended June 30, 2025 was \$452,225.

Wayfinder also has a deferred compensation plan under Section 457 of the Internal Revenue Code for highly compensated employees. The expense under this plan for the year ended June 30, 2025 was \$82,977.

continued

## WAYFINDER FAMILY SERVICES

### NOTES TO FINANCIAL STATEMENTS

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#### **18. Employee Retention Credit**

The Coronavirus Aid, Relief, and Economic Security Act provides an Employee Retention Credit, which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extend and slightly expand the qualified wage caps on these credits through September 30, 2021. Based on these additional provisions, the tax credit was 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee was increased to \$10,000 of qualified wages per quarter.

In July 2023, Wayfinder received payments in the amount of \$8,352,833 related to its Employee Retention Credit. As a result of receiving the payment, Wayfinder recovered bad debt expense for the Employee Retention Credit in the amount of \$1,667,430 in fiscal year June 30, 2024.

#### **19. Gain from Court Settlement**

During the fiscal year June 30, 2024, Wayfinder recognized a gain of \$1,671,597 from a court settlement. This gain resulted from the resolution of a legal dispute related to a case against a utility company over damaged property in 2018. The proceeds are presented as other changes in the Statements of Activities.

#### **20. Closure of a line of business**

During fiscal year 2024, Wayfinder's group home program, which operated out of five residential homes and served up to six children or six young adults with multiple, profound disabilities in each home, ceased operations. The group home program's operations were transferred to another group home operator. The new operator pays Wayfinder rental income on four of the existing homes, and this rental income is reported as other revenue in Wayfinder's fiscal year 2025 financial statements.

## ADDITIONAL INFORMATION

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**Independent Auditors' 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***

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To the Board of Directors  
Wayfinder Family Services

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 Wayfinder Family Services (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2025, and the related Statements of Activities, 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 November 21, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Wayfinder Family Services' 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 Wayfinder Family Services' internal control. Accordingly, we do not express an opinion on the effectiveness of Wayfinder Family Services' 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.

**Independent Auditors' 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***  
continued

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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Wayfinder Family Services' 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Harrington Group*

Pasadena, California  
November 21, 2025