Keegan Linscott & Associates, PC
Certified Public Accountants
Certified Fraud Examiners
Certified Insolvency & Restructuring Advisors

OUR FAMILY SERVICES, INC.

AUDITED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2022)

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Keegan
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Our Family Services, Inc.
Tucson, Arizona

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Our Family Services, Inc., an Arizona nonprofit corporation (the "Organization"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of expenses by function and nature and cash flows for the years then ended, and the related statement of activities for the year ended June 30, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and its cash flows for the years then ended and the changes in its net assets for the year ended June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Emphasis of Matter
As discussed in Note 3 to the financial statements, in 2023, the Organization adopted ASU No. 2016-02*, Leases (Topic 842).* Our opinion is not modified with respect to this matter.

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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable).

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Keegan Linscott & Associates, PC

Tucson, Arizona
January 10, 2024

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30,

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 684,608	$ 392,902
Grants and contracts receivable, net	729,870	700,749
Investments	1,208,007	1,131,732
Investments- other	-	747,148
Prepaid and other current assets	261,269	245,584
Total current assets	2,883,754	3,218,115
Property and equipment, net	3,429,969	3,561,994
Beneficial interest in funds held by others	411,122	422,969
Operating lease right-of-use assets, net	14,201	-
Total assets	$ 6,739,046	$ 7,203,078
Liabilities		
Current liabilities		
Accounts payable	$ 119,309	$ 117,389
Accrued expenses	163,580	221,834
Deferred revenues	46,031	70,908
Custodial liabilities	16,328	14,314
Line of credit	418,949	7,000
Operating lease liabilities	9,097	-
Total current liabilities	773,294	431,445
Line of credit	-	318,949
Angel Charity forgivable loan	67,516	135,030
Operating lease liabilities, long-term	5,104	-
Total liabilities	845,914	885,424
Net Assets		
Without donor restrictions	3,879,426	3,779,206
With donor restrictions	2,013,706	2,538,448
Total net assets	5,893,132	6,317,654
Total liabilities and net assets	$ 6,739,046	$ 7,203,078

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Summarized Total 2022
Revenues and Other Support				
Government grants and contracts	$ 5,284,902	$ -	$ 5,284,902	$ 4,855,324
Contributions, bequests, and foundation grants	245,029	714,072	959,101	1,003,207
Program income	8,823	-	8,823	50,061
Donated materials and services	12,408	-	12,408	37,817
United Way	63,619	-	63,619	88,950
Other revenue and support	26,378	-	26,378	35,155
Investment income (loss), net	81,230	(1,413)	79,817	(53,593)
Loss on disposal of property and equipment	(12,327)	-	(12,327)	(1,074)
Net assets released from restriction	1,237,401	(1,237,401)	-	-
Total revenue and other support	6,947,463	(524,742)	6,422,721	6,015,847
Expenses				
Program services				
Community services	57,638	-	57,638	289,839
Family housing	2,346,305	-	2,346,305	2,606,150
Homeless youth services	3,363,564	-	3,363,564	2,835,123
Total program services	5,767,507	-	5,767,507	5,731,112
Fundraising	178,913	-	178,913	341,041
Management and general	900,823	-	900,823	874,781
Total expenses	6,847,243	-	6,847,243	6,946,934
Change in net assets	100,220	(524,742)	(424,522)	(931,087)
Net assets, beginning of year	3,779,206	2,538,448	6,317,654	7,248,741
Net assets, end of year	$ 3,879,426	$ 2,013,706	$ 5,893,132	$ 6,317,654

STATEMENT OF EXPENSES BY FUNCTION AND NATURE
FOR THE YEAR ENDED JUNE 30, 2023

	Community Services	Family Housing	Homeless Youth Services	Total Program Services	Fundraising	Management and General	Total
Contract employees and personnel costs	$ 51,162	$ 564,446	$ 1,341,854	$ 1,957,462	$ 126,704	$ 598,002	$ 2,682,168
Total personnel	51,162	564,446	1,341,854	1,957,462	126,704	598,002	2,682,168
Advertising and public relations	-	-	-	-	-	-	-
Bad debt	-	-	13,130	13,130	-	19,788	32,918
Bank fees	-	17	9	26	684	2,875	3,585
Client housing	-	1,438,965	1,276,672	2,715,637	-	-	2,715,637
Equipment	466	7,858	22,039	30,363	2,519	6,958	39,840
Facilities	830	12,982	31,865	45,677	3,803	24,916	74,396
Insurance	1,109	18,372	31,479	50,960	6,184	15,672	72,816
Membership, dues and licensing	92	408	3,379	3,879	14,795	7,999	26,673
Miscellaneous	528	1,252	3,626	5,406	3,440	8,044	16,890
Office supplies	103	1,455	2,422	3,980	400	4,046	8,426
Other client expenses	63	209,180	386,878	596,121	297	1,142	597,560
Professional and outside services	1,144	50,865	56,860	108,869	9,017	132,644	250,530
Recruitment and staff development	7	404	2,030	2,441	533	21,276	24,250
Subrecipient payments	-	-	67,346	67,346	-	-	67,346
Telephone	588	7,237	15,174	22,999	1,324	7,103	31,426
Travel and auto	65	7,232	20,306	27,603	-	-	27,603
Total expenses before interest and depreciation	56,157	2,320,673	3,275,069	5,651,899	169,700	850,465	6,672,064
Interest	-	-	-	-	-	22,992	22,992
Depreciation	1,481	25,632	88,495	115,608	9,213	27,366	152,187
Total expenses	$ 57,638	$ 2,346,305	$ 3,363,564	$ 5,767,507	$ 178,913	$ 900,823	$ 6,847,243

STATEMENT OF EXPENSES BY FUNCTION AND NATURE
FOR THE YEAR ENDED JUNE 30, 2022

	Community Services	Family Housing	Homeless Youth Services	Total Program Services	Fundraising	Management and General	Total
Contract employees and personnel costs	$ 209,591	$ 667,168	$ 1,256,930	$ 2,133,689	$ 260,741	$ 650,601	$ 3,045,031
Total personnel	209,591	667,168	1,256,930	2,133,689	260,741	650,601	3,045,031
Advertising and public relations	-	-	-	-	334	240	574
Bad debt	-	-	46,186	46,186	-	-	46,186
Bank fees	134	30	4	168	2,967	10,977	14,112
Client housing	-	1,624,742	802,803	2,427,545	-	-	2,427,545
Equipment	5,674	2,851	18,263	26,788	1,330	8,157	36,275
Facilities	22,593	14,279	73,446	110,318	8,028	22,542	140,888
Insurance	4,743	12,472	27,707	44,922	5,827	15,225	65,974
Membership, dues and licensing	2,549	493	3,895	6,937	8,532	11,554	27,023
Miscellaneous	3,808	1,209	5,181	10,198	10,583	19,355	40,136
Office supplies	1,184	1,248	2,129	4,561	514	5,179	10,254
Other client expenses	6,341	172,800	276,717	455,858	34	155	456,047
Professional and outside services	17,442	65,099	96,846	179,387	30,385	44,829	254,601
Recruitment and staff development	531	40	912	1,483	1,005	51,190	53,678
Subrecipient payments	-	6,324	105,651	111,975	-	-	111,975
Telephone	1,662	6,178	15,738	23,578	1,544	5,982	31,104
Travel and auto	-	5,573	12,486	18,059	-	337	18,396
Total expenses before interest and depreciation	276,252	2,580,506	2,744,894	5,601,652	331,824	846,323	6,779,799
Interest	-	-	-	-	-	6,835	6,835
Depreciation	13,587	25,644	90,229	129,460	9,217	21,623	160,300
Total expenses	$ 289,839	$ 2,606,150	$ 2,835,123	$ 5,731,112	$ 341,041	$ 874,781	$ 6,946,934

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	$ (424,522)	$ (931,087)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Provision for bad debt	(1,712)	7,181
Write-off of bad debts	34,630	39,005
Depreciation	152,187	160,300
Loss on disposal of property and equipment	12,327	1,074
Net realized and unrealized (gain) loss on investments	(27,782)	140,776
Net realized and unrealized loss on beneficial interest in funds held by others	1,413	2,771
Reduction in the carrying amount of right-of-use assets	22,800	-
Expiration of Angel Charity forgivable loan	(67,514)	(67,514)
Contributions restricted for construction of long-lived assets	-	(667)
Changes in operating assets and liabilities		
Grants and contracts receivable, net	(62,039)	14,133
Prepaid and other current assets	(15,685)	(4,533)
Accounts payable	1,920	(3,006)
Accrued expenses	(58,254)	(65,640)
Deferred revenues	(24,877)	69,999
Custodial liabilities	2,014	(4,445)
Operating lease liabilities	(22,800)	-
Net cash used in operating activities	(477,894)	(641,653)
Cash Flows from Investing Activities		
Collections on notes receivable	-	640,909
Purchases of property and equipment	(32,489)	(20,473)
Proceeds from sale of investments	748,688	1,529,227
Purchases of investments	(50,033)	(797,312)
Distributions from beneficial interest in funds held by others	10,434	10,386
Net cash provided by investing activities	676,600	1,362,737
Cash Flows from Financing Activities		
Collection of contributions restricted for construction of long-lived assets	-	667
Proceeds on line of credit	450,000	580,000
Repayments on line of credit	(357,000)	(954,051)
Net cash provided by (used in) financing activities	93,000	(373,384)
Net change in cash and cash equivalents	291,706	347,700
Cash and cash equivalents, beginning of year	392,902	45,202
Cash and cash equivalents, end of year	684,608	392,902
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Cash paid for interest	$ 22,992	$ 6,835
Cash paid for amounts included in measurement of lease liabilities		
Operating cash outflows - payments on operating leases	$ 23,510	$ -
Right-of-use assets obtained in exchange for new lease obligations		
Operating leases	$ 37,001	$ -
Expiration of Angel Charity forgivable loan	$ 67,514	$ 67,514

NOTES TO FINANCIAL STATEMENTS

1. Organization

Our Family Services, Inc. (the "Organization") is a private non-profit organization incorporated in Arizona to provide housing, community services, and services to teens in transition and families in Southern Arizona. Funding is received principally from government grants and vendor contracts, as well as foundation grants and contributions. The Organization was formed October 26, 2005 and merged with another nonprofit entity on July 1, 2012.

The Organization has the following program categories:

Community Services programs, which include:

Community Services – Group and educational-based programs to build skills, resiliency, resources and connections within our community. Services include Information and Referral, and the Center for Community Dialogue and Training.

Family Housing programs, which include:

Emergency Shelter Services – This 120-day program is the first part of a multi-phase program to help families achieve financial self-sufficiency. The average family enters the shelter after weeks or months of homelessness. During this crisis phase, our Organization provides clients with all their basic needs.

Homeless Prevention – Prevents families from becoming homeless by engaging them in a case management and preventing eviction and covering costs (utility shut offs, daycare, food, car repairs, etc.) that could lead to a family to become homeless.

United Way/Siemer Project – Our Organization works to prevent families from becoming homeless and moving their children to another school. Provides case management and some financial assistance to clients.

Rapid Rehousing – Provides short-term rental assistance and/or utility assistance to homeless families to obtain apartments with their own leases, moving quickly from homelessness to stable housing.

Homeless Youth programs, which include:

Homeless Youth Services – Helps homeless and near-homeless youth ages 12 to 26 stay in school and gain the life skills they need through case management, counseling, education and career planning, shelter, housing and help with basic skills.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("U.S. GAAP") that the Organization follows to ensure the consistent reporting of its financial condition, changes in net assets and cash flows. References to U.S. GAAP issued by the FASB are to the FASB Accounting Standards Codification ("ASC").

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with the provisions of ASC 958, *Not-for-Profit Entities*. Under this authoritative guidance, the Organization is required to provide financial statements which are prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

- **Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. All contributions are considered to be available for use without restriction unless specifically restricted by the donor.

- **With Donor Restrictions** – Net assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire through the passage of time. Net assets with donor restrictions also includes net assets that are subject to donor-imposed stipulations such that assets must be maintained permanently by the Organization. The donors of these assets permit the Organization to use all or part of the investment return of these assets on continuing operations which may be subject to certain restrictions.

Expenses are generally reported as decreases in net assets without donor restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as increases in net assets without donor restrictions.

Endowment Funds

The Organization's endowments were established to support, further and enhance the mission of the Organization. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. The Organization has three endowment funds that are held and managed at the Jewish Community Foundation of Southern Arizona (the "JCFSA") and are comprised of donor specified beneficiary funds. Donor specified beneficiary funds represent donor restricted contributions made to JCFSA for the benefit of the Organization (i.e., donor has specified the Organization as the beneficiary).

The Organization has interpreted the "Management of Charitable Funds Act" (Arizona's version of the Uniform Prudent Management of Institutional Funds Act or UPMIFA), which underlies the Organization's net asset classification of donor-restricted endowment funds, as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (1) the original value of gifts donated to the endowment, (2) the original value of subsequent gifts to the endowment, and (3) if applicable, accumulations to the 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 portion of the donor-restricted

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Endowment Funds (continued)

endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the law, at which time those amounts will be reported as net assets without donor restrictions.

The Organization has no formally adopted investment policies for its endowment assets; however, the Organization is subject to JCFSA's investment and spending policies for endowment assets. These policies attempt to preserve the purchasing power of the investments after withdrawals are taken, while increasing the value of the fund over time. The financial objectives have been established in conjunction with a comprehensive review of the current and projected financial requirements of the JCFSA with consideration of the requirements imposed by the Management of Charitable Funds Act. While there cannot be complete assurance that this objective will be realized, it is believed the likelihood of its realization is reasonably high based upon JCFSA's investment policy and historical performance. The objective is based on a ten-year investment horizon, so that interim fluctuations should be viewed with appropriate perspective. Accumulated earnings on these endowments are released as appropriations from net assets with donor restriction when distributed by JCFSA and the related restriction (if any) has been met. JCFSA has adopted a spending policy of appropriating for distribution each year between 3.5% and 5% of its endowment value.

The Organization has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless precluded by donor intent or relevant laws and regulations. The Organization did not spend from underwater endowment funds during the year. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or current law requires the Organization to retain for a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of June 30, 2023 and 2022.

Revenue Recognition

Contributions

Government Grants and Contracts– The Organization accounts for its government grants and contracts by first determining whether the transaction is an exchange transaction or a contribution. If the transaction is one in which each party to the transaction directly receives commensurate value, then the transaction is considered an exchange transaction and the Organization recognizes revenue in accordance with ASC 606. Government grants and contracts revenues from exchange transactions are recognized as performance obligations are satisfied, which in most cases are as related costs are incurred or services are provided. If the transaction is considered a contribution, then the Organization recognizes revenue in accordance with ASC 958-605. None of the Organization's government grants and contracts revenues were considered exchange transactions for the years ended June 30, 2023 or 2022.

Contributions, Bequests and Foundation Grants – Contributions are classified based on the existence or absence of donor-imposed restrictions as either conditional or unconditional as follows:

- **Conditional** – Includes all contributions with donor-imposed conditions or stipulations representing a barrier that must be overcome before the recipient is entitled to the assets being transferred or promised. A failure to overcome the barrier gives the contributor a right of return of the assets it has transferred or the ability to rescind an obligation to transfer.

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

- **Unconditional** – Includes all contributions that do not contain a barrier to use and therefore are recorded as revenue once cash or a contribution is received. Donor imposed restrictions for time and/or purpose are not considered a significant barrier and thus these contributions are recorded as unconditional.

Contribution revenue is recorded when the unconditional promise to give is received. Under this method, the recognition of support for financial statement purposes bears no relation to the period in which the expenses are incurred. Revenue related to conditional contributions is recognized once the relevant barriers of each contribution are met. If the funds are received from the donor before the relevant barriers are met, deferred revenue is recorded on the statement of financial position for the amount of funds provided by the donor. Consequently, government funded grants and contracts revenue which are considered contributions are recognized when the related barriers to provide services are delivered and/or expenditures are incurred.

Bequests are recognized in the period in which the Organization receives notification that a will or trust has been enacted, the court has deemed the will or trust valid, the amount is known or can be reasonably estimated, and all conditions have been substantially met.

Donated Materials and Services – Contributions of donated non-cash assets are recorded at their fair values on the date the asset is donated. Absent explicit donor stipulations, contributions of long-lived assets or cash or other assets to be used to acquire or construct long-lived assets are reported as net assets without donor restrictions when placed in service. Donated services are recognized as contributions at fair value when the services are received and (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and (c) would typically need to be purchased if not provided by donation. The Organization utilizes the services of many outside volunteers to perform a variety of tasks that assist the Organization. Although the Organization utilizes the services of many outside volunteers, the fair value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under U.S. GAAP.

Exchange Transactions

The Organization recognizes earned revenues in accordance with ASC 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Program Income – Program income consists of the Center for Community Dialogue and Training (the "Center") service fees and rental income.

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)
Center Service Fees – Center service fees primarily consisted of conflict mediation services and educational trainings to third parties. Performance obligations were determined based on the nature of the services provided. The Organization recognized revenues at a point in time when the related services were provided to the customer, which was when the performance obligation was satisfied. The transaction price was the amount of consideration the Organization expected to be entitled to. Revenues were based primarily on fixed payment terms involving predetermined rates per service (fee-for-service) and typically do not involve variable consideration.

The timing of revenue recognition may not align with the right to invoice the customer. The Organization recorded accounts receivable when it had the unconditional right to issue an invoice and receive payment, regardless of whether revenue had been recognized. If revenue had not yet been recognized, a contract liability, such as deferred revenue was also recorded. If revenue was recognized in advance of the right to invoice, a contract asset was recorded. Center service fees totaled $49,626 for the year ended June 30, 2022 and as of June 30, 2022, the Center was closed and the program was suspended.

Rental Income – The Organization recognizes rental income from short term leases on apartment units in accordance with ASC 842, *Leases*. Rental income is recognized evenly over the terms of the tenant leases on the accrual basis. Rental receipts received in advance are deferred until earned.

Cash and Cash Equivalents
For financial statement reporting purposes, the Organization considers all highly liquid instruments purchased with original maturities of three months or less to be cash equivalents. The carrying amount of cash equivalents approximates their fair values. The Organization places its cash and cash equivalents with high credit quality institutions. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limit (see Note 17). The Organization has not experienced any losses and does not believe it is exposed to any significant credit risk on cash balances. All such accounts are monitored by management to mitigate risk.

Grants and Contracts Receivable, Net
Grants and contracts receivable are stated at the amount that the Organization expects to collect from various governmental entities and other funding sources on outstanding balances, net of an allowance for doubtful accounts. The allowance for doubtful accounts reflects management's best estimate of the amounts that will not be collected and is based on management's assessment of the collectability of specific accounts and the aging of the receivable. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected. Recoveries of receivables previously written off are recorded when received. As of June 30, 2023 and 2022, management estimated an allowance for uncollectible accounts of $5,469 and $7,181, respectively.

Investments
Debt and Equity Securities - Investments are accounted for in accordance with ASC 958-320, *Investments - Debt and Equity Securities*. Investments in debt and equity securities are valued at their fair values in the accompanying statements of financial position. Investment income, gains and losses are reported net of related investment fees in the statement of activities as increases or decreases in net assets. Gains and investment income limited to specific uses by donor-imposed restrictions are reported as increases in net assets without

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Investments (continued)
donor restrictions if the restrictions are met in the same reporting period as the gains and income are recognized. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Donated investments are recorded at fair value.

The Organization invests in professionally managed portfolios that contain equity and fixed income securities. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Investments are considered to be impaired when a decline in fair value is judged to be other-than-temporary. The Organization employs a systematic methodology on an annual basis that considers available quantitative and qualitative evidence in evaluating potential impairment of its investments. If the cost of an investment exceeds its fair value, management evaluates, among other factors, general market conditions, the duration and extent to which the fair value is less than cost, and the intent and ability to hold the investment. The Organization also considers specific adverse conditions related to the financial health of and business outlook for the investee, including industry and sector performance, changes in technology, operational and financing cash flow factors, and rating agency actions. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded and a new cost basis in the investment is established. Through June 30, 2023, the Organization has not experienced other-than-temporary impairment losses on its investments.

Investments - Other
Certificates of deposit held for investment that are not debt securities are included in other investments. Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short-term, and certificates of deposit with remaining maturities greater than one year are classified as long-term.

Property and Equipment, Net
Property and equipment are stated at cost if purchased, or fair value if donated. Depreciation is calculated using the straight-line method over the estimated useful life of the assets as follows:

Buildings and improvements	7 – 40 years
Furniture, IT and equipment	3 – 7 years
Vehicles	5 years

Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements and is included in depreciation expense. The Organization capitalizes all expenditures for property and equipment, including repairs or betterments that materially prolong the useful lives of assets, in excess of $1,000 with a useful life greater than one year. Repairs and maintenance for normal upkeep are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is recognized.

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Property and Equipment, Net (continued)
In accordance with ASC 360-10, *Property, Plant and Equipment*, the Organization periodically reviews the carrying value of long-lived assets held and used, and assets to be disposed of, for possible impairment when events and circumstances warrant such a review. Through June 30, 2023, the Organization had not experienced impairment losses on its long-lived assets.

Beneficial Interest in Funds Held by Others
In accordance with ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*, the Organization measures the fair value of donor specified beneficiary funds held at the JCFSA using the fair value of the underlying assets. Annual distributions from the funds are reported as investment income. Investment income, gains and losses are reported in the accompanying statements of activities as increases or decreases in net assets. Gains and investment income limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the gains and income are recognized.

The JCFSA on behalf of the Organization invests in professionally managed portfolios that contain equity and fixed income securities. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the accompanying financial statements.

Investments are considered to be impaired when a decline in fair value is judged to be other-than-temporary. The Organization employs a systematic methodology on an annual basis that considers available quantitative and qualitative evidence in evaluating potential impairment of its investments. If the cost of an investment exceeds its fair value, the Organization evaluates, among other factors, general market conditions, the duration and extent to which the fair value is less than cost, and its intent and ability to hold the investment. The Organization also considers specific adverse conditions related to the financial health of and business outlook for the investee, including industry and sector performance, changes in technology, operational and financing cash flow factors, and rating agency actions. Once a decline in fair value is determined to be other-then-temporary, an impairment charge is recorded and a new cost basis in the investment is established.

Leases
In February 2016, the FASB issued ASC Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statements of financial position as a right-of-use ("ROU") asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. The Organization adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on July 1, 2022.

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Leases (continued)
The Organization elected the "package of practical expedients" under the transition guidance within Topic 842, in which the Organization does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Organization has not elected to adopt the "hindsight" practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on July 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its equipment asset classes. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Income Tax
The Organization is exempt from federal and state income taxes under the Federal Internal Revenue Code ("IRC") Section 501(c)(3) and Arizona income tax laws, and is classified as other than a private foundation under IRC Section 509(a)(1). The Organization also qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(a). Accordingly, no provision for federal or state income taxes is recorded in the accompanying financial statements; however, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income.

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Income Tax (continued)
Management has considered its tax positions in accordance with the accounting standard for uncertainty in income taxes and believes that all positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. In addition, Management is not aware of any matters which would cause the Organization to lose its tax-exempt status. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Should the Organization ever be subject to interest and penalties related to unrecognized tax benefits, they would be classified in management and general expenses in its accompanying financial statements. During the years ended June 30, 2023 and 2022, the Organization did not recognize any interest and penalties.

Advertising
The Organization expenses advertising costs as incurred.

Functional Allocation of Expenses
The cost of providing the various program services and supporting activities of the Organization have been summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program are allocated directly according to their natural classification. Other expenses that are common to several functions are allocated by location and based on either full-time equivalent or square footage depending on what is considered the most appropriate cost driver.

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Prior Year Information
The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

3. Recent Accounting Pronouncements

Adopted as of June 30, 2023
In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required (see ASU No. 2018-11 below for optional transition method) for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

NOTES TO FINANCIAL STATEMENTS

Recent Accounting Pronouncements (continued)

Adopted as of June 30, 2023 (continued)

In July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*. This ASU is intended to reduce costs and ease implementation of the leases standard for financial statement preparers. ASU 2018-11 provides a new transition method and a practical expedient for separating components of a contract. The amendments ASU 2018-11 provide entities with an additional (and optional) transition method to adopt the new leases standard. Under this new transition method, an entity initially applies the new leases standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. Consequently, an entity's reporting for the comparative periods presented in the financial statements in which it adopts the new leases standard will continue to be in accordance with current U.S. GAAP in Topic 840, *Leases*. The amendments in ASU 2018-11 also provide lessors with a practical expedient, by class of underlying asset, to not separate nonlease components from the associated lease component and, instead, to account for those components as a single component if the nonlease components otherwise would be accounted for under the new revenue guidance (Topic 606). The effective date and transition requirements for the amendments in this update related to separating components of a contract are the same as the effective date and transition requirements in ASU 2016-02 (i.e., fiscal years beginning after December 15, 2021). All entities, including early adopters, that elect the practical expedient related to separating components of a contract in this ASU must apply the expedient, by class of underlying asset, to all existing lease transactions that qualify for the expedient at the date elected. Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities as of July 1, 2022 related to the Organization's operating leases of $37,001. The adoption of the new lease standard also resulted in significant new disclosures about the Organization's leasing activities and did not materially impact the change in net assets or cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets. The Organization accounted for its existing operating leases on apartment units as operating leases. As lessor, adopting Topic 842 in accounting for apartment unit leases did not result in adjustments to the financial statements.

Not Adopted as of June 30, 2023

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The Organization does not intend to early adopt. The Organization is currently evaluating the impact of adopting this new guidance on its financial statements and disclosures and does not expect the impact to be significant.

NOTES TO FINANCIAL STATEMENTS

4. Liquidity and Availability of Resources

The following table shows a determination of the Organization's financial assets that are available to meet cash needs for general expenditures within one year as of June 30:

	2023	2022
Cash and cash equivalents	$ 684,608	$ 392,902
Grants and contracts receivable, net	729,870	700,749
Investments	1,208,007	1,131,732
Investments - other	-	747,148
Beneficial interest in funds held by others	411,122	422,969
Total financial assets	3,033,607	3,395,500
Less amounts unavailable for general expenditure within one year, due to:		
Contractual or donor-imposed restrictions		
Custodial liabilities	16,328	14,314
Endowment funds	316,760	316,760
Other donor restrictions	1,696,946	2,221,688
Board designations		
Operating reserve	105,900	105,900
Financial assets available to meet cash needs for general expenditures within one year	$ 897,673	$ 736,838

The Organization is substantially supported by current year government grants and contracts and contributions, bequests, and foundation grants, which are predictable. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization's board of directors has also established a board designated operating reserve that is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated losses in funding, or uninsured losses. As of June 30, 2023 and 2022, the board designated operating reserve had a balance of $105,900, respectively.

NOTES TO FINANCIAL STATEMENTS

5. Investments

Investments are stated at fair value and consist of the following as of June 30:

		2023		2022
Mutual Funds	$	626,522	$	570,054
Money Market Treasury Portfolio		22,405		21,663
Prime Obligations Fund		559,080		540,015
Total Investments	$	1,208,007	$	1,131,732

Investment income (loss), net related to the Organization's investments consists of the following as of June 30:

		2023		2022
Interest and dividend income	$	59,442	$	96,719
Realized and unrealized gain (loss) on investments, net		27,782		(140,776)
Investment fees		(5,994)		(6,765)
Total investment income (loss), net	$	81,230	$	(50,822)

6. Fair Value Measurements

The Organization utilizes the fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Organization's financial assets are generally classified within Level 1 or Level 2 of the fair value hierarchy because they are valued using readily determinable fair values or alternative pricing sources with reasonable levels of price transparency. The types of instruments valued based on readily determinable fair values in active markets include the Organization's mutual funds. Such instruments are classified within Level 1 of the fair value hierarchy.

The restricted investments held at the Jewish Community Foundation of Southern Arizona are categorized as Level 3 due to the lack of a market in which the Organization's units of participation in JCFSA's pooled income trust (i.e., the beneficial interest) could be bought or sold. The Organization measures the fair value of its beneficial interest by taking its proportionate share of the fair value of the underlying assets.

NOTES TO FINANCIAL STATEMENTS

Fair Value Measurements (continued)

The following table presents the Organization's financial assets that are measured at fair value on a recurring basis as of June 30, 2023:

Description	Fair Value	Level 1	Level 2	Level 3
Mutual funds				
Mid-Cap	$ 121,136	$ 121,136	$ -	$ -
Corporate Bonds	51,326	51,326	-	-
Multi-strategy	28,318	28,318	-	-
Large Blend	185,534	185,534	-	-
Foreign Large Blend	65,278	65,278	-	-
Emerging Markets Bond	23,045	23,045	-	-
Short Term Bond	25,228	25,228	-	-
Diversified Emerging Markets	23,643	23,643	-	-
Intermediate Term Bond	103,014	103,014	-	-
	626,522	626,522	-	-
Investments measured by net asset value (a)	581,485			
Total Investments	1,208,007			
Beneficial interest in funds held by others	411,122	-	-	411,122
Total	$ 1,619,129	$ 626,522	$ -	$ 411,122

NOTES TO FINANCIAL STATEMENTS

Fair Value Measurements (continued)

The following table presents the Organization's financial assets that are measured at fair value on a recurring basis as of June 30, 2022:

Description	Fair Value	Level 1	Level 2	Level 3
Mutual funds				
Mid-Cap	$ 106,325	$ 106,325	$ -	$ -
Corporate Bonds	50,063	50,063	-	-
Multi-alternative	26,924	26,924	-	-
Large Blend	156,479	156,479	-	-
Foreign Large Blend	56,052	56,052	-	-
Emerging Markets Bond	21,839	21,839	-	-
Short Term Bond	24,834	24,834	-	-
Diversified Emerging Markets	24,577	24,577	-	-
Intermediate Term Bond	102,961	102,961	-	-
	570,054	570,054	-	-
Investments measured by net asset value (a)	561,678			
Total Investments	1,131,732			
Beneficial interest in funds held by others	422,969	-	-	422,969
Total	$ 1,554,701	$ 570,054	$ -	$ 422,969

(a) In accordance with Subtopic 820-10, certain investments measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The following table presents a reconciliation of the Level 3 beneficial interest in assets held by others measured at fair value for the years ended June 30:

	2023	2022
Fair value as of July 1	$ 422,969	$ 436,126
Contributions	-	-
Investment gain included in change in net assets	2,926	1,210
Fees	(4,339)	(3,981)
Distributions	(10,434)	(10,386)
Fair value as of June 30	$ 411,122	$ 422,969

NOTES TO FINANCIAL STATEMENTS

7. Investments Measured Using the Net Asset Value per Share Practical Expedient

The following table summarized investments for which fair value is measured using the net asset value per share practical expedient as of:

June 30, 2023		Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Money market treasury portfolio	$	22,405	n/a	Daily	None
Prime obligations fund	$	559,080	n/a	Daily	None

June 30, 2022		Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Money market treasury portfolio	$	21,663	n/a	Daily	None
Prime obligations fund	$	540,015	n/a	Daily	None

8. Property and Equipment, Net

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

		2023		2022
Land	$	85,730	$	85,730
Building and improvements		3,694,845		3,673,188
Leasehold improvements		-		24,219
Furniture and equipment		145,449		143,654
IT hardware and software		241,053		237,985
Vehicles		48,839		48,838
		4,215,916		4,213,614
Less accumulated depreciation		(785,947)		(651,620)
Property and equipment, net	$	3,429,969	$	3,561,994

NOTES TO FINANCIAL STATEMENTS

9. Leases

The Organization leases certain office equipment under operating lease agreements that have initial terms ranging from 3 to 5 years. Any options to extend or terminate the lease are included in the lease terms when it is reasonably certain that the Organization will exercise those options. The Organization's operating leases generally does not contain any material restrictive covenants or residual value guarantees. Operating lease cost is recognized on a straight-line basis over the lease term.

The components of lease cost are as follows for the year ended June 30, 2023:

Operating lease cost	$	22,800
Short-term lease cost		27,613
Total lease cost	$	50,413

Supplemental statement of financial position information related to leases is as follows as of June 30, 2023:

Operating leases		
Operating lease right-of-use assets	$	14,201
Operating lease liabilities, current	$	9,097
Operating lease liabilities, non-current		5,104
Total operating lease liabilities	$	14,201
Weighted-average remaining lease term:		
Operating leases		1.91 years
Weighted-average discount rate:		
Operating leases		2.88%

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the statement of financial position are as follows as of June 30, 2023:

Year Ending June 30,		Operating Leases
2024	$	9,296
2025		2,189
2026		2,189
2027		907
Total lease payments		14,581
Less imputed interest		(380)
Total present value of lease liabilities	$	14,201

NOTES TO FINANCIAL STATEMENTS

Leases (continued)

The following is a summary of future minimum lease payments under non-cancelable operating leases as of June 30, 2022:

Fiscal Year Ending		Amount
2023	$	43,216
2024		12,775
2025		5,668
2026		5,668
2027		4,385

Lease expense, including month-to-month leases, for the year ended June 30, 2022 totaled $75,036.

10. Custodial Liabilities

The Organization had custodial liabilities totaling $16,328 and $14,314 as of June 30, 2023 and June 30, 2022, respectively, related to its role as a fiscal agent for two unrelated organizations.

11. Line of Credit Agreements

In March 2020, the Organization entered into a line of credit agreement, as amended, for an original amount of $150,000 which was originally due in August 2022. In October 2022, the agreement was amended to extend the due date to February 2024. The line of credit requires monthly interest only payments with interest at the Prime Rate plus 2.00% (10.25% and 6.75% at June 30, 2023 and 2022, respectively). The line of credit is collateralized by property as specified in the related business lending agreement. The line of credit had an outstanding balance of $150,000 and $50,000 as of June 30, 2023 and 2022, respectively.

In March 2020, the Organization entered into a line of credit agreement, as amended, for an original amount of $1,600,000 which was originally due in August 2022. In October 2022, the agreement was amended to extend the due date to February 2024. The original agreement required monthly interest only payments with interest at the Prime Rate minus 0.50% (7.75% and 4.25% at June 30, 2023 and 2022) not to be less than 3.50%. The amended agreement requires monthly principal payments of $1,000, plus accrued interest with interest at the Prime Rate minus 0.50% (7.75% and 4.25% at June 30, 2022 and 2021), beginning in December 2022 with the remaining principal balance plus unpaid accrued interest due at maturity. The line of credit is collateralized by property as specified in the commercial pledge agreement. The line of credit had an outstanding balance of $268,949 and $275,949 as of June 30, 2023 and 2022, respectively.

Future maturities of the line of credit agreements are as follows as of June 30, 2022:

2024	$	418,949
Total	$	418,949

NOTES TO FINANCIAL STATEMENTS

12. Angel Charity Forgivable Loan

In 2012, the Organization entered into a beneficiary agreement with Angel Charity for Children, Inc. ("Angel Charity") for the construction of a 20-bed shelter for homeless youth. In total, Angel Charity reimbursed the Organization $675,142 for expenditures incurred for the construction of real property. As part of this agreement, the Organization entered into a non-recourse ten-year promissory note collateralized by first deed of trust on the real property. The term of the note shall end ten years from the date of promissory note on December 18, 2023. The note provides that as long as the Organization continues to provide the Children and Youth program at this facility, one-tenth of the note will be forgiven each year. If the Organization ceases to provide these services, the remaining balance shall become immediately due and payable. The Organization intends to provide these services for the ten-year period. As of June 30, 2023 and 2022, the outstanding balance of the Angel Charity forgivable loan was $67,516 and $135,030 , respectively.

13. Net Assets with Donor Restriction

Net assets with donor restrictions were restricted for the following purposes as of June 30:

	2023	2022
Subject to expenditure for specified purpose:		
Information and referral	$ 61,773	$ 61,026
The Center for Community Dialogue	12,305	12,306
Homeless youth services	276,269	299,692
Family housing	1,244,801	1,731,870
Development	3,900	3,800
Administration	3,536	6,785
	1,602,584	2,115,479
Subject to JCFSA spending policy and appropriation:		
Original donor-restricted endowment gift amounts required to be maintained by donor		
Operating Endowment	49,766	49,766
Lacy Endowment – earnings restricted for homeless teens	216,994	216,994
Tucson Foundations Endowment	50,000	50,000
	316,760	316,760
Accumulated investment earnings, which, once appropriated, are expendable to support		
Operations	27,425	27,746
Homeless teens	66,937	78,463
	94,362	106,209
Total	$ 2,013,706	$ 2,538,448

NOTES TO FINANCIAL STATEMENTS

14. Endowments

Changes in endowment net assets for the year ended June 30, 2023:

	With Donor Restrictions	Total
Endowment net assets, June 30, 2022	$ 422,969	$ 422,969
Investment return		
Change in beneficial interest	(1,413)	(1,413)
Total investment return	(1,413)	(1,413)
Appropriation of funds for expenditure	(10,434)	(10,434)
Endowment net assets, June 30, 2023	$ 411,122	$ 411,122

Changes in endowment net assets for the year ended June 30, 2022:

	With Donor Restrictions	Total
Endowment net assets, June 30, 2021	$ 436,126	$ 436,126
Investment return		
Change in beneficial interest	(2,771)	(2,771)
Total investment return	(2,771)	(2,771)
Appropriation of funds for Expenditure	(10,386)	(10,386)
Endowment net assets, June 30, 2022	$ 422,969	$ 422,969

15. Retirement Plan

The Organization has a 403(b) thrift plan that allows eligible employees to defer pretax annual compensation up to certain limitations imposed by the Internal Revenue Service. The Organization may also make matching contributions to the Plan. To be eligible, employees must be at least 18 years of age. The employer match begins after a year of service for employees at least 21 years of age. The Organization matches 50% of employee contributions up to 4% of annual compensation. The Organization's matching contributions for the years ended June 30, 2023 and 2022 were $17,200 and $20,765, respectively.

NOTES TO FINANCIAL STATEMENTS

16. Donated Materials and Services

In-Kind contributions consisted of the following for the years ended June 30:

	2023	2022
Membership, dues and licensing	$ 1,688	$ 2,030
Other client expenses	394	806
Professional and outside services	-	16,060
Program supplies	9,966	18,921
	$ 12,048	$ 37,817

For the years ended June 30, 2023 and 2022, the Organization recognized contributed nonfinancial assets within revenue, to include contributed membership, dues and licensing, other client expenses, professional and outside services, and program supplies. Unless otherwise noted, contributed nonfinancial assets were not monetized and did not have donor-imposed restrictions.

Membership, dues and licensing – The Organization receives a portion of its annual membership fees for donated employee benefits consulting, which are allocated to all activities within the Organization. These donated membership fees are valued based on the quantity and market value of fees waived.

Other client expenses and program supplies – The Organization receives donated items such as clothing, toiletries, food and other household items, which are provided to the Organization's clients or used in the provisions of services to clients primarily as part of its family housing and homeless youth services programs. These items are valued based on the quantity of items received and the value claimed by the donor.

Professional and outside services– The Organization receives donated services from community professionals primarily for IT and maintenance of property and equipment, which are allocated to all activities within the Organization. The services are valued based on the quantity and market value of the services received, if they had been purchased.

17. Concentrations of Credit Risk

Government Grants and Contracts

The Organization derives the majority of its revenues and support from government grants and contracts for various programs. At times, grants and contracts for particular programs may constitute a concentration as defined by the accounting standards. As of June 30, 2023 and 2022, government grant receivables comprised 95% and 90% of total receivables, respectively. For the years ended June 30, 2023 and 2022, government grants and contracts revenue accounted for approximately 82% and 81%, respectively, of total revenues and other support, respectively.

Cash Deposits at Banks

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the FDIC up to $250,000. As of June 30, 2023 and 2022, the Organization had $50,414 and $67,177, respectively, in excess of FDIC insured limits.

NOTES TO FINANCIAL STATEMENTS

Concentrations of Credit Risk (continued)

Investments
Investments held by other institutions are insured up to $500,000, including up to $250,000 for cash balances per institution, by the Securities Investor Protection Corporation ("SIPC"). As of June 30, 2023 and 2022, the Organization had $708,007 and $1,378,880, respectively, in excess of SIPC insured limits.

18. Commitments and Contingencies

Program Audits by Funding Agencies
The Organization is subject to potential program audits by its funding agencies. There is a possibility that the Organization could be liable to these agencies for amounts determined by such future audits. The Organization's management believes that no such liabilities exist as of June 30, 2023.

Litigation
The Organization is involved in legal proceedings in the normal course of its business operations. The Organization does not believe that any pending or threatened proceeding would have a material adverse effect on its financial position or results of operations.

Solar Services Agreement
On October 17, 2017, the Organization entered into a twenty-year solar services agreement with a Power Supplier. The original agreement allowed the Power Supplier to construct solar equipment on one of the Organization's properties and then sell all the electrical energy generated by the solar equipment, which was estimated to be 1,217,230 kWh over the term of the agreement, to the Organization. The total cost of the solar equipment was $95,184 and was incurred by the Power Supplier. Beginning on the service commencement date of March 1, 2018, the Organization agreed to purchase an estimated annual quantity of electrical energy to be generated by the solar equipment at a rate of $0.1325 per kWh to be paid in equal monthly payments for each year. If at the end of each year, it was determined that the Organization used more electrical energy than was estimated for that year, the Organization would be required to immediately pay for the energy used in excess of the estimated amount. If it was instead determined that the Organization used less electrical energy than was estimated for that year, the Power Supplier would credit the amount of unused energy in the next annual period. The original term of the agreement was for twenty years with the option to extend for another two years, and was non-cancellable for the first five years. If after five years the agreement was terminated with proper notification prior to the end of the twenty-year agreement, certain termination fees and removal costs would apply as specified in the agreement. At the end of the twenty-year term, the Organization would have the opportunity to purchase the solar equipment at fair market value but no less than ten percent of the original cost of the solar equipment. The original agreement also requires the Power Supplier to lease the portion of the Organization's property for which the solar equipment resides for a period of twenty-five years at a rate of $1 per year.

The original agreement was subsequently amended as the Organization agreed to prepay $87,704 for the entire remaining amount of estimated electrical energy (1,201,428 kWh) to be generated by the solar equipment over the remainder of the original twenty-year solar services agreement at a discounted rate of $0.073 per kWh. If prior to the end of the twenty-year term of the agreement, the Organization uses all of the originally estimated kWh, the Organization would be required to pay for all additional solar energy used at the rate of $0.1325 per kWh per the original agreement. As of June 30, 2023 and 2022, prepaid solar electricity of $65,778 and $70,163, respectively, was included in prepaids and other current assets in the accompanying statement of financial position. This amount will be expensed over the term of the agreement.

NOTES TO FINANCIAL STATEMENTS

Commitments and Contingencies (continued)

Solar Services Agreement (continued)

For the years ended June 30, 2023 and 2022, the Organization recorded $4,385 in expense related to the solar service agreement which is included in equipment expense in the accompanying statement of expenses by function and nature.

19. Subsequent Events

The Organization evaluated subsequent events through January 10, 2024, which represents the date the financial statements were available to be issued and, concluded that no additional disclosures are required.

Keegan Linscott & Associates, PC
Certified Public Accountants
Certified Fraud Examiners
Certified Insolvency & Restructuring Advisors

OUR FAMILY SERVICES, INC.

SINGLE AUDIT REPORTS AND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

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Keegan
Linscott &
Associates, PC

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*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Our Family Services, Inc.

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 Our Family Services, Inc. (the "Organization"), which comprise the Organization's statement of financial position as of June 30, 2023, and the related statements of activities, expenses by function and nature, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 10, 2024.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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.

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Keegan Linscott & Associates, PC

Tucson, Arizona
January 10, 2024

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Our Family Services, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Our Family Services, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis of Opinion on the Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Organization as of and for the year ended June 30, 2023, and have issued our report thereon dated January 10, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Keegan Linscott & Associates, PC

Tucson, Arizona
January 10, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: .... Unmodified

Internal control over financial reporting:

Material weakness(es) identified? .... No

Significant deficiency(ies) identified? .... None Reported

Noncompliance material to financial statements noted? .... No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? .... No

Significant deficiency(ies) identified? .... None Reported

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

Any audit findings disclosed, which are required to be reported in accordance with section 2 CFR 200.516(a)? .... No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.267	Continuum of Care

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

Auditee qualified as low-risk auditee? .... Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023 (CONTINUED)

SECTION II – FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to the financial statements for which *Government Auditing Standards* requires reporting.

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section identifies audit findings required to be reported by the 2 CFR 200.516(a), including significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, and significant instances of abuse.

No matters were reported.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number		Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
CDBG - Entitlement Grants - Cluster:					
U.S. Department of Housing and Urban Development Programs					
Passed through City of Tucson					
Community Development Block Grants/Entitlement Grants (CDBG)	14.218		19234	$ -	$ 90,000
Passed through Pima County					
Community Development Block Grants/Entitlement Grants (CDBG)	14.218		CT-CR-22-247	-	16,200
Community Development Block Grants/Entitlement Grants (CDBG)	14.218		CT-CR-23-341		6,740
Total for Program				-	112,940
Total U.S. Department of Housing and Urban Development Programs				$ -	$ 112,940
Total CDBG - Entitlement Grants - Cluster				$ -	$ 112,940
Other Programs:					
U.S. Department of Agriculture Programs					
Passed through Arizona Department of Education					
Child and Adult Care Food Program	10.558		CTD # 13-19-13000	$ -	$ 4,001
Total for Program				-	4,001
Total U.S. Department of Agriculture Programs				$ -	$ 4,001
U.S. Department of Housing and Urban Development Programs					
Passed through City of Tucson					
Emergency Solutions Grant Program	14.231		19226	$ -	$ 65,000
COVID-19: Emergency Solutions Grant Program	14.231		19275	-	212,220
Passed through Pima County					
Emergency Solutions Grant Program	14.231		CT-CR-21-305	-	3,929
COVID-19: Emergency Solutions Grant Program (CARES)	14.231		CT-CR-23-087	-	95,014
COVID-19: Emergency Solutions Grant Program (CARES)	14.231		CT-CR-20-459	-	67,057
COVID-19: Emergency Solutions Grant Program (CARES)	14.231		CT-CD-22-126	-	112,667
COVID-19: Emergency Solutions Grant Program (CARES)	14.231		CT-CR-23-084	-	128,983
Passed through the Primavera Foundation					
Emergency Solutions Grant Program	14.231		ADES18-206229	-	5,200
Total for Program				-	690,070
Continuum of Care Program	14.267	*		12,354	339,614
Continuum of Care Program	14.267	*		-	710,169
Continuum of Care Program	14.267	*		-	117,811
Continuum of Care Program	14.267	*		-	192,487
Continuum of Care Program	14.267	*		-	30,495
Continuum of Care Program	14.267	*		-	391,305
Continuum of Care Program	14.267	*		32,697	305,538
Passed through Pima County					
Continuum of Care Program	14.267	*	CT-CR-21-421	-	182,748
Passed through City of Tucson					
Continuum of Care Program	14.267	*	19270		23,100
Total for Program				45,051	2,293,267
Youth Homelessness Demonstration Program	14.276			16,468	158,264
Youth Homelessness Demonstration Program	14.276			-	205,664
Total for Program				16,468	363,928
Total U.S. Department of Housing and Urban Development Programs				$ 61,519	$ 3,347,265

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice Programs				
Services for Trafficking Victims	16.320		$ 3,025	$ 336,364
Total for Program			3,025	336,364
Total U.S. Department of Justice Programs			$ 3,025	$ 336,364
U.S. Department of the Treasury				
Passed through City of Tucson				
COVID - Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPAFY22-381083	$ -	$ 144,946
Total for Program			-	144,946
Total U.S. Department of Treasury Programs			$ -	$ 144,946
U.S. Department of Health and Human Services Programs				
Passed through University of Arizona				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	493173	$ -	$ 21,805
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	493173	-	18,740
Total for Program			-	40,545
Transitional Living for Homeless Youth	93.550		-	60,613
Transitional Living for Homeless Youth	93.550		-	174,667
Transitional Living for Homeless Youth	93.550		-	99,178
Transitional Living for Homeless Youth	93.550		-	161,878
Total for Program			-	496,336
Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth	93.557		2,001	109,407
Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth	93.557		802	49,337
Total for Program			2,803	158,744
Passed through the Primavera Foundation				
Temporary Assistance for Needy Families	93.558	ADES18-206229	-	45,700
Total for Program			-	45,700
Basic Center Grant	93.623		-	20,058
Basic Center Grant	93.623		-	166,598
Total for Program			-	186,656
Passed through the Primavera Foundation				
Social Services Block Grant	93.667	ADES18-206229	-	16,853
Total for Program			-	16,853
Total U.S. Department of Health and Human Services Programs			$ 2,803	$ 944,834
Total Expenditures of Federal Awards			$ 67,347	$ 4,890,350

* Denotes a major program

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Organization has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.