Save the Family Foundation of Arizona
and A.R.M of Save the Family Foundation of Arizona

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2016

CONTENTS

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Independent Auditors' Report

To the Board of Directors
Save the Family Foundation of Arizona and A.R.M. of Save the Family Foundation of Arizona
Mesa, Arizona

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Save the Family Foundation of Arizona and A.R.M. of Save the Family Foundation of Arizona (the Organization, nonprofit corporations), which comprise the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Save the Family Foundation of Arizona and A.R.M. of Save the Family Foundation of Arizona as of June 30, 2016, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2016, 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, grant agreements and other matters. The purpose of that report is 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 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.

Fester & Chapman P.C.

December 15, 2016

Save the Family Foundation of Arizona and A.R.M. of Save the Family Foundation of Arizona

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2016

ASSETS

Current assets:	
Cash	$ 922,433
Grants receivable	382,806
Promises to give receivable, current portion	428,618
Note receivable from unrelated parties	75,000
Prepaid expenses	5,346
Total current assets	1,814,203
Promises to give receivable, less current portion	245,781
Long-term notes receivable from affiliate	2,034,288
Property and equipment, net	9,711,348
Investment in affiliate	300,380
Total assets	$ 14,106,000

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	$ 82,335
Accrued expenses	160,285
Refundable advances and deferred income	63,480
Notes payable, current portion	21,908
Total current liabilities	328,008
Notes payable, less current maturities	1,296,123
Total liabilities	1,624,131
Net assets:	
Unrestricted	11,777,489
Temporarily restricted	704,380
Total net assets	12,481,869
Total liabilities and net assets	$ 14,106,000

The accompanying notes are an integral part of these statements.

Save the Family Foundation of Arizona and A.R.M. of Save the Family Foundation of Arizona

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue, support and loss:			
Government grants	$ 3,239,002		$ 3,239,002
United Way contributions	40,160	$ 45,000	85,160
Contributions	939,357	632,240	1,571,597
In-kind contributions	1,247,141		1,247,141
Client and management fees	525,982		525,982
Rental income	1,055,726		1,055,726
Miscellaneous	48,335		48,335
Net loss on disposals of assets	(238,334)		(238,334)
Thrift store revenue:			
Contribution of merchandise	98,914		98,914
Sales of donated merchandise	98,914		98,914
Less: value of merchandise sold	(98,914)		(98,914)
Revenue from thrift store	98,914		98,914
Fundraising events:			
Gross fundraising events revenue	151,838		151,838
Less: direct donor benefit cost	(28,425)		(28,425)
Net fundraising events revenue	123,413		123,413
Net assets released from restrictions	253,318	(253,318)	
Total revenue, support and loss	7,333,014	423,922	7,756,936
Expenses:			
Program services:			
Transitional Housing	1,945,019		1,945,019
FACES	500,895		500,895
Rapid Rehousing	1,255,265		1,255,265
A.R.M./Property Management	2,345,010		2,345,010
Total program services	6,046,189		6,046,189
Management and general	409,011		409,011
Fundraising	897,088		897,088
Total expenses	7,352,288		7,352,288
Change in net assets	(19,274)	423,922	404,648
Net assets, beginning of year	11,796,763	280,458	12,077,221
Net assets, end of year	$ 11,777,489	$ 704,380	$ 12,481,869

The accompanying notes are an integral part of these statements.

Save the Family Foundation of Arizona and A.R.M. of Save the Family Foundation of Arizona

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2016

	Program Services					Supporting Services		
	Transitional Housing	FACES	Rapid Rehousing	A.R.M./Property Management	Total Program Services	Management and General	Fundraising	Total
Salaries	$ 587,751	$ 171,818	$ 247,864	$ 241,930	$ 1,249,363	$ 180,379	$ 499,483	$ 1,929,225
Employee related	128,667	33,849	47,696	49,032	259,244	22,639	67,697	349,580
Depreciation	18,780	5,490	7,920	411,666	443,856	5,763	15,959	465,578
Direct assistance to individuals	601,346	201,793	878,768	873,452	2,555,359			2,555,359
Direct unit costs	381,199			571,832	953,031			953,031
Equipment	25,805	6,933	8,741	9,850	51,329	371	10,316	62,016
Materials and supplies	2,400	1,444	723	1,160	5,727	6,682	59,970	72,379
Operating	24,086	4,459	6,501	85,128	120,174	34,995	80,418	235,587
Other expenses	806	809	1,287	2,443	5,345			5,345
Professional and outside services	38,797	24,903	13,903	37,828	115,431	90,510	57,193	263,134
Space and occupancy	97,386	25,791	28,140	48,354	199,671	65,289	89,777	354,737
Travel	37,996	23,606	13,722	12,335	87,659	2,383	16,275	106,317
Total expenses	$ 1,945,019	$ 500,895	$ 1,255,265	$ 2,345,010	$ 6,046,189	$ 409,011	$ 897,088	$ 7,352,288

The accompanying notes are an integral part of these statements.

Save the Family Foundation of Arizona and A.R.M. of Save the Family Foundation of Arizona

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2016

Cash flows from operating activities:	
Change in net assets	$ 404,648
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	465,578
Net loss on disposals of assets	238,334
Change in discount on promises to give receivable	(1,026)
Changes in assets and liabilities:	
Grants receivable	613,012
Promises to give receivable	(418,022)
Prepaid expenses	3,598
Accounts payable	55,826
Accrued expenses	(103,653)
Refundable advances and deferred income	12,995
Net cash provided by operating activities	1,271,290
Cash flows from investing activities:	
Payment of loan proceeds to unrelated party in exchange for a note receivable	(75,000)
Purchases of property and equipment	(665,223)
Proceeds from sale of property and equipment	753,268
Net cash provided by investing activities	13,045
Cash flows from financing activities:	
Net proceeds from note payable	75,000
Net payments on line of credit	(670,702)
Payments on notes payable	(30,113)
Net cash used by financing activities	(625,815)
Net increase in cash	658,520
Cash, beginning of year	263,913
Cash, end of year	$ 922,433
Supplemental disclosures of cash flow information:	
Interest paid	$ 21,946
Supplemental disclosure of noncash investing and financing transactions:	
Proceeds from sale of property paid directly to lender	$ 113,779

The accompanying notes are an integral part of these statements.

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principal Business Activities

Save the Family Foundation of Arizona (STF) is an Arizona nonprofit corporation which provides transitional housing and permanent housing services to needy and homeless families. Primary sources of revenue are governmental funding and donations.

Affordable Rental Movement (ARM) of Save the Family Foundation of Arizona was formed in 1992 to develop permanent affordable housing rental opportunities for low income families.

STF and ARM are collectively referred to herein as the Organization.

The major programs of STF and ARM include:

Transitional Housing: Scattered-site housing units for housing homeless families for up to 24 months.

Family, Adult and Children's Empowerment Services (FACES): Financial literacy, intervention/prevention education, workforce development, professional clothing, household furnishings, supplemental food, and client transportation. Legal, dental, and vision services are provided through volunteer attorneys and physicians.

Rapid Rehousing: Financial assistance and services to prevent individuals and families from becoming homeless, and to quickly re-house and stabilize those experiencing homelessness.

Principles of Consolidation

ARM and STF are consolidated due to the programmatic dependence of ARM on STF to place clients into its housing units. All significant interagency accounts and transactions have been eliminated in consolidation.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 may differ from these estimates.

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial Statement Presentation
The Organization follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) topic of *Not-for-Profit Entities*, requiring the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, described as follows:

Unrestricted Net Assets: Unrestricted net assets are net assets not subject to donor-imposed stipulations, available for use in general operations.

Temporarily Restricted Net Assets: Temporarily restricted net assets include contributions that have donor-imposed time or purpose restrictions that limit the use of the donated assets. When the restriction is met, temporarily restricted net assets are reclassified as unrestricted net assets.

Permanently Restricted Net Assets: Permanently restricted net assets are those which are subject to non-expiring donor restrictions, such as endowments. The Organization did not have any permanently restricted net assets at June 30, 2016.

Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted.

Government Grants
The Organization recognizes amounts received from contracts and grants as earned when the services are rendered under a unit of service contract. Funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by the Organization with the terms of the contract. The Organization has contracts with the cities of Mesa, Scottsdale, and Chandler, as well as the Town of Gilbert, Maricopa County, and HUD. These grants represent approximately 41% of the Organization's revenues for the year ended June 30, 2016.

Concentrations of Credit Risk
Cash includes cash held in checking, savings, and money market accounts. At times, the Organization maintains cash at financial institutions in excess of the bank insured limit by the Federal Deposit Insurance Corporation (FDIC). The Organization also maintains cash at a brokerage firm that is covered under Securities Investor Protection Corporation (SIPC).

Receivables
The Organization's receivables consist primarily of amounts due from government agencies. The Organization does not require collateral for receivable balances and does not charge interest on receivables that are past due. Receivable balances are considered past due if not paid within the invoice's stated terms, which vary by agency. Management has determined all amounts to be collectable, and therefore an allowance for receivables is not deemed necessary.

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Promises to Give
Unconditional promises to give that are expected to be collected within one year are recorded as promises to give at net realizable value. Unconditional promises to give that are expected to be collected in future periods are recorded using present value techniques incorporating risk-adjusted discount rates applicable to the years in which the promises to give are received. In subsequent years, amortization of the discount is included in contribution revenue in the consolidated statement of activities. Conditional promises to give are not recognized as support until the conditions are substantially met.

Promises to give are stated as unpaid balances, net of discounts, less an allowance for doubtful accounts as deemed necessary. The Organization provides for losses on promises to give using the allowance method. The allowance is based on experience, knowledge of the donors, the industry, and other circumstances which may affect the ability of donors to meet their obligations. It is the Organization's policy to charge off uncollectible promises to give when management determines collection is doubtful. Management considers receivables at June 30, 2016 to be fully collectable and, accordingly, an allowance for doubtful accounts is not deemed necessary.

Property and Equipment
Property and equipment are recorded at cost on the date of acquisition or at their estimated fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Donated or purchased property and equipment are accounted for as unrestricted net assets. Depreciation of property and equipment is computed using the straight line method over the estimated useful lives of the assets, which range from five to 30 years. Amortization of leasehold improvements is computed using the straight line method over the estimated useful life of the improvements, which is the lesser of the estimated useful life or remaining term of the applicable lease. The Organization's capitalization policy requires individual assets to be capitalized if the original cost or estimated fair value on the date of donation exceeds $5,000. Maintenance and repairs are charged to expense when incurred.

Functional Expense Allocation
The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes
Both STF and ARM are exempt from federal and state income taxes as organizations other than private foundations under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

Subsequent Events
The Organization has evaluated subsequent events through December 15, 2016, the date which the financial statements were available to be issued.

NOTE 2 - PROMISES TO GIVE RECEIVABLE, NET

Contributions receivable consisted of the following at June 30, 2016:

Promises to give – from organizations	$ 500,000
Promises to give - from individuals	174,880
Discounts on promises to give receivable	(481)
Net promises to give receivable	$ 674,399

Promises to give receivable are due as follows as of June 30, 2016:

Due within one year	$ 428,618
Due within two to four years	246,262
	674,880
Discount on promises to give receivable	(481)
Net promises to give receivable	$ 674,399

NOTE 3 - DUE FROM AFFILIATES

Escobedo at Verde Vista, LLC
ARM has three notes receivable due from Escobedo at Verde Vista, LLC, a related party, which totaled $2,034,288 at June 30, 2016.

The first note in the amount of $543,411 bears simple interest of 4% with interest-only payments due from the borrower's available cash flows. The outstanding principal balance plus unpaid interest is due on or before July 11, 2053.

The second note in the amount of $940,877 bears no interest and the outstanding principal balance is due on or before April 25, 2053. Payments on the second note are also subject to available cash flows.

The third note in the amount of $550,000 bears simple interest of 3% with interest-only payments due from the borrower's available cash flows. The outstanding principal balance plus unpaid interest is due on or before July 31, 2053.

NOTE 4 - INVESTMENT IN AFFILIATE

Investment in affiliate consists of cash contributions to an affordable multifamily housing partnership where ARM is the general partner and has a .01% ownership interest in the affiliate. Investment value is adjusted by ARM's portion of the partnership's income/loss each year.

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of June 30, 2016:

Land	$ 2,580,149
Buildings	10,166,494
Building improvements	887,567
Appliances	86,374
Equipment and furniture	89,758
Vehicles	147,940
Construction in progress	43,621
	14,001,903
Accumulated depreciation and amortization	(4,290,555)
Property and equipment, net	$ 9,711,348

NOTE 6 - LINES OF CREDIT

STF has a revolving line of credit with a limit of $300,000 and a maturity date of February 16, 2018. Advances on the line of credit are payable monthly at the prime rate plus 0.5% with a floor rate of 5% (5% at June 30, 2016). There was no balance due on this line of credit at June 30, 2016.

ARM has two revolving lines of credit with limits of $500,000 and $100,000, respectively, each with a maturity date of February 16, 2018. Advances on the lines of credit are payable monthly at the prime rate plus 0.5% with a floor rate of 5% (5% at June 30, 2016). There was no balance due on either line of credit at June 30, 2016.

In conjunction with the line of credit agreements, STF and ARM have agreed to comply with certain restrictive covenants which include, among others, requirements related to debt service coverage ratio and current ratio. STF and ARM were in compliance with those covenants as of June 30, 2016. Both lines of credit are secured by real property and equipment.

NOTE 7 - NOTES PAYABLE

Notes payable consisted of the following as of June 30, 2016:

$110,235 unsecured note payable to an individual due in 60 principal-only monthly payments of $1,000 and 36 principal-only monthly payments of $1,257 with a final payment due December 2019.	$	56,235
$21,000 note payable to a financial institution for the purchase of three vehicles, with monthly payments of principal and 5% interest due of $829. The note matures in January 2017 and it is collateralized by the financed vehicles.	$	5,709

NOTE 7 - NOTES PAYABLE - CONTINUED

\$99,583 note payable to a financial institution due in 119 monthly principal and interest payments of \$616, including interest at 5.5%, with a final balloon payment of \$74,698 due December 2020. The note is secured by real property.	87,676
\$75,000 note payable to a nonprofit corporation including interest at 0%, with entire balance due upon maturity in January 2018. The note is secured by real property.	75,000
\$550,000 note payable to a financial institution including interest at 0%, with entire balance due upon maturity in August 2030. The note is secured by real property and the proceeds were passed through to an affiliate. See Notes 3 and 11.	550,000
\$543,411 note payable to the City of Mesa including interest at 0%, with entire balance due upon maturity in May 2034. The note is secured by real property and the proceeds were passed through to an affiliate. See Notes 3 and 11.	543,411
	1,318,031
Less current maturities	(21,908)
	\$ 1,296,123

Future maturities of long-term debt are as follows for the years ending June 30,

2017	\$ 21,908
2018	17,889
2019	93,048
2020	15,677
2021	76,097
Thereafter	1,093,412
Total future maturities	\$ 1,318,031

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets activity was as follows for the year ended June 30, 2016:

	Beginning Balance	Contributions	Releases	Ending Balance
Purpose restrictions:				
Shelter plus care	$ 8,300		$ (8,300)	
Escobedo project	15,300		(15,300)	
Istory/Mikitek		$ 30,000	(8,000)	$ 22,000
Greater Boards		15,000	(7,500)	7,500
Timing restriction	156,858	587,240	(114,218)	629,880
Timing and purpose restriction:				
United Way	100,000	45,000	(100,000)	45,000
	$ 280,458	$ 677,240	$ (253,318)	$ 704,380

NOTE 9 - IN-KIND CONTRIBUTIONS/EXPENSES

Donated goods and facilities are valued at their estimated fair value. Donated services are recognized in the consolidated financial statements at their estimated fair value if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased by donation.

In-kind contributions totaling $1,247,141 are reported in the consolidated statement of activities. In-kind expenses are reported in the consolidated statement of functional expenses as follows for the year ended June 30, 2016:

	Program Services	Management and General	Fundraising	Total
Professional and outside services	$ 19,374		$ 7,800	$ 27,174
Direct assistance to individuals	968,938			968,938
Materials and supplies			54,330	54,330
Space and occupancy	118,172	$ 15,508	63,019	196,699
Total in-kind expenses	$ 1,106,484	$ 15,508	$ 125,149	$ 1,247,141

NOTE 10 - CONTINGENCIES

During 2011, the Organization received donated residential property from a governmental entity. Under the terms of the governmental contract, if the Organization fails to allow only low-income households to reside in the property, the title of the property will revert back to the governmental entity. This contingency is in effect through February 2031. The Organization intends to operate the property in accordance with the terms of the agreement; therefore, no liability relating to a potential future reversion of title has been recorded in the consolidated financial statements.

Other properties acquired by the Organization with grant funds are encumbered with ongoing restrictions that preclude the use of the acquired properties for purposes other than transitional or permanent housing. Should such properties be sold or used for disallowed purposes, all or part of the grant funds may have to be returned.

NOTE 11 - RELATED PARTY TRANSACTIONS

ARM has three notes receivable totaling $2,034,288 due from Escobedo at Verde Vista, LLC, a related party (see Note 3).

STF leases a building from Escobedo at Verde Vista, LLC, under a twenty-year lease expiring in 2033. The terms of the lease require STF to pay $100 as the base rent for the entire term of the lease. In addition, STF must meet specific conditions annually in order to satisfy the terms of the lease agreement. The Organization recognized $196,699 as in-kind contributions/expense during the year ended June 30, 2016, which approximates the estimated fair value of the donated facility.

SUPPLEMENTARY INFORMATION

Save the Family Foundation of Arizona and A.R.M. of Save the Family Foundation of Arizona

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2016

	Save the Family Foundation of Arizona	A.R.M. of Save the Family Foundation of Arizona	Eliminations	Total
ASSETS				
Current assets:				
Cash	$ 617,814	$ 304,619		$ 922,433
Grants receivable	265,330	150,556	$ (33,080)	382,806
Promises to give receivable, current portion	428,618			428,618
Note receivable from unrelated parties		75,000		75,000
Prepaid expenses	3,589	1,757		5,346
Total current assets	1,315,351	531,932	(33,080)	1,814,203
Promises to give receivable, less current portion	245,781			245,781
Long-term notes receivable from affiliate		2,034,288		2,034,288
Property and equipment, net	337,314	9,374,034		9,711,348
Investment in affiliate		300,380		300,380
Total assets	$ 1,898,446	$ 12,240,634	$ (33,080)	$ 14,106,000
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$ 29,321	$ 86,094	$ (33,080)	$ 82,335
Accrued expenses	140,832	19,453		160,285
Refundable advances and deferred income		63,480		63,480
Notes payable, current portion	21,908			21,908
Total current liabilities	192,061	169,027	(33,080)	328,008
Notes payable, less current portion	127,712	1,168,411		1,296,123
Total liabilities	319,773	1,337,438	(33,080)	1,624,131
Net assets:				
Unrestricted	874,293	10,903,196		11,777,489
Temporarily restricted	704,380			704,380
Total net assets	1,578,673	10,903,196		12,481,869
Total liabilities and net assets	$ 1,898,446	$ 12,240,634	$ (33,080)	$ 14,106,000

The accompanying notes are an integral part of these statements.

Save the Family Foundation of Arizona and A.R.M. of Save the Family Foundation of Arizona

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended June 30, 2016

	Save the Family Foundation of Arizona		A.R.M. of Save the Family Foundation of Arizona			
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Eliminations	Total
Revenue, support, loss and gain:						
Government grants	$ 1,664,683		$ 1,574,319			$ 3,239,002
United Way contributions	40,160	$ 45,000				85,160
Contributions	939,127	632,240	230			1,571,597
Contribution from related party	270,117				$ (270,117)	
In-kind contributions	1,237,917		9,224			1,247,141
Client and management fees	712,368		362,014		(548,400)	525,982
Rental income			1,055,726			1,055,726
Miscellaneous	21,657		26,678			48,335
(Loss) gain on disposals of assets	(422,381)		184,047			(238,334)
Thrift store revenue:						
Contributions of merchandise	98,914					98,914
Sales of donated merchandise	98,914					98,914
Less: value of merchandise sold	(98,914)					(98,914)
Revenue from thrift store	98,914					98,914
Fundraising events:						
Gross fundraising events revenue	151,838					151,838
Less: direct donor benefit costs	(28,425)					(28,425)
Net fundraising events revenue	123,413					123,413
Net assets released from restrictions	245,018	(245,018)	8,300	$ (8,300)		
Total revenue, support, loss and gain	4,930,993	432,222	3,220,538	(8,300)	(818,517)	7,756,936
Expenses:						
Salaries	1,879,206		50,019			1,929,225
Employee related	341,304		8,276			349,580
Depreciation	53,912		411,666			465,578
Direct assistance to individuals	1,681,907		902,852		(29,400)	2,555,359
Direct unit costs	384,082		568,949			953,031
Equipment	62,016					62,016
Materials and supplies	71,634		745			72,379
Operating	156,329		79,258			235,587
Other program	2,902		272,560		(270,117)	5,345
Professional and outside services	239,650		542,484		(519,000)	263,134
Space and occupancy	354,737					354,737
Travel	97,818		8,499			106,317
Total expenses	5,325,497		2,845,308		(818,517)	7,352,288
Change in net assets	(394,504)	432,222	375,230	(8,300)		404,648
Net assets, beginning of year	1,268,797	272,158	10,527,966	8,300		12,077,221
Net assets, end of year	$ 874,293	$ 704,380	$ 10,903,196	$	$	$ 12,481,869

The accompanying notes are an integral part of these statements.