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, 2017

CONTENTS

FESTER & CHAPMAN PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors of
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, 2017, 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.

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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, 2017, 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 January 24, 2018, 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, PLLC

January 24, 2018

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2017

ASSETS

Current assets:	
Cash	$ 1,182,034
Grants receivable	644,529
Promises to give receivable, current portion	397,262
Note receivable from unrelated parties	75,000
Prepaid expenses	16,093
Total current assets	2,314,918
Promises to give receivable, less current portion	371,749
Long-term notes receivable from affiliate	2,034,288
Property and equipment, net	9,636,807
Investment in affiliate	233,668
Deposits	1,900
Total assets	$ 14,593,330

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	$ 171,045
Accrued expenses	158,399
Lines of credit	181,574
Refundable advances and deferred income	75,424
Notes payable, current portion	19,663
Total current liabilities	606,105
Notes payable, less current maturities	1,201,553
Total liabilities	1,807,658
Net assets:	
Unrestricted:	
Board designated	350,000
Undesignated	11,563,481
Total unrestricted net assets	11,913,481
Temporarily restricted net assets	872,191
Total net assets	12,785,672
Total liabilities and net assets	$ 14,593,330

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, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue, support and gain:			
Government grants	$ 2,809,037		$ 2,809,037
United Way contributions	100,000	$ 50,004	150,004
Contributions	981,458	906,600	1,888,058
In-kind contributions	1,102,727		1,102,727
Client and management fees	480,998		480,998
Rental income	1,025,302		1,025,302
Miscellaneous	36,170		36,170
Gain on disposals of assets	343,364		343,364
Thrift store revenue, net	80,496		80,496
Fundraising events:			
Gross fundraising events revenue	142,486		142,486
Less: direct donor benefit cost	(24,950)		(24,950)
Net fundraising events revenue	117,536		117,536
Net assets released from restrictions	788,793	(788,793)	
Total revenue, support and gain	7,865,881	167,811	8,033,692
Expenses:			
Program services:			
Transitional Housing	736,445		736,445
FACES	579,447		579,447
Rapid Rehousing	1,746,866		1,746,866
A.R.M./Property Management	2,876,478		2,876,478
Total program services	5,939,236		5,939,236
Management and general	369,323		369,323
Fundraising	1,021,330		1,021,330
Total expenses before pledge write off	7,329,889		7,329,889
Pledge write off from one donor	400,000		400,000
Total expenses and pledge write off	7,729,889		7,729,889
Change in net assets	135,992	167,811	303,803
Net assets, beginning of year	11,777,489	704,380	12,481,869
Net assets, end of year	$ 11,913,481	$ 872,191	$ 12,785,672

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, 2017

	Program Services					Supporting Services		
	Transitional Housing	FACES	Rapid Rehousing	A.R.M./Property Management	Total Program Services	Management and General	Fundraising	Total
Salaries	$ 244,291	$ 212,640	$ 370,223	$ 476,163	$ 1,303,317	$ 174,470	$ 580,934	$ 2,058,721
Employee related	44,661	36,838	68,376	85,277	235,152	30,587	91,782	357,521
Depreciation	3,288	2,862	4,982	425,520	436,652	2,348	7,818	446,818
Direct assistance to individuals	225,520	229,815	1,159,905	943,926	2,559,166			2,559,166
Direct unit costs	137,896	1,019	1,332	687,819	828,066			828,066
Equipment	7,371	11,033	13,196	16,025	47,625	3,567	12,922	64,114
Materials and supplies	5,490	5,620	10,739	11,375	33,224	5,953	52,744	91,921
Operating	7,397	5,976	15,249	69,084	97,706	35,899	85,073	218,678
Other expenses	1,020	1,269	934	864	4,087			4,087
Professional and outside services	17,370	31,621	26,570	52,869	128,430	85,880	64,385	278,695
Space and occupancy	32,289	26,586	50,390	85,072	194,337	28,176	110,637	333,150
Travel	9,852	14,168	24,970	22,484	71,474	2,443	15,035	88,952
Total expenses	$ 736,445	$ 579,447	$ 1,746,866	$ 2,876,478	$ 5,939,236	$ 369,323	$ 1,021,330	$ 7,329,889

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, 2017

Cash flows from operating activities:	
Change in net assets	$ 303,803
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	446,818
Gain on disposals of assets	(343,364)
Pledge write off from one donor	400,000
Other bad debt expense	6,600
Change in discount on promises to give receivable	1,747
Donated land	(22,000)
Changes in assets and liabilities:	
Grants receivable	(261,723)
Promises to give receivable	(502,959)
Prepaid expenses	(10,747)
Deposits	(1,900)
Accounts payable	88,710
Accrued expenses	(1,886)
Refundable advances and deferred income	11,944
Net cash provided by operating activities	115,043
Cash flows from investing activities:	
Proceeds from investment in affiliate	66,712
Purchases of property and equipment	(385,008)
Proceeds from sale of property and equipment	378,095
Net cash provided by investing activities	59,799
Cash flows from financing activities:	
Net advances on line of credit	181,574
Payments on notes payable	(96,815)
Net cash provided by financing activities	84,759
Net increase in cash	259,601
Cash, beginning of year	922,433
Cash, end of year	$ 1,182,034
Supplemental disclosures of cash flow information:	
Interest paid	$ 6,955

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*: Board designated net assets is a component of unrestricted net assets, which is established by the Board of Directors for the purpose of securing the Organization's long-term financial viability. Undesignated 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, 2017.

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, Tempe, and Chandler, as well as the Town of Gilbert, Maricopa County, and HUD. These grants represent approximately 37% of the Organization's revenues for the year ended June 30, 2017.

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).

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, 2017 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 January 24, 2018, 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, 2017:

Promises to give – from organizations	$ 717,504
Promises to give – from individuals	53,735
Discount on promises to give receivable (2.2%)	(2,228)
Net promises to give receivable	$ 769,011

Promises to give receivable are due as follows as of June 30, 2017:

Due within one year	$ 397,262
Due within two to four years	373,977
	771,239
Discount on promises to give receivable (2.2%)	(2,228)
Net promises to give receivable	$ 769,011

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, 2017.

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, 2017:

Land	$ 2,635,417
Buildings	10,212,757
Building improvements	885,967
Appliances	80,967
Equipment and furniture	89,758
Vehicles	139,140
Construction in progress	246,630
	14,290,636
Accumulated depreciation and amortization	(4,653,829)
Property and equipment, net	$ 9,636,807

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, 2017). There was no balance due on this line of credit at June 30, 2017.

ARM has two revolving lines of credit: one with a $500,000 limit for the restricted use of funding property acquisitions; and one with a $100,000 credit limit for unrestricted use in general operations. Both lines have 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, 2017). There was an outstanding balance on the property acquisition line of credit of $181,574 at June 30, 2017. There was no balance due on the operating line of credit at June 30, 2017.

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, 2017. 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, 2017:

$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.	$	42,693
$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.		85,112

NOTE 7 - NOTES PAYABLE - CONTINUED

\$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
	1,221,216
Less current maturities	(19,663)
	\$ 1,201,553

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

2018	\$ 19,663
2019	19,504
2020	16,795
2021	71,843
2022	-
Thereafter	1,093,411
Total future maturities	\$ 1,221,216

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets activity was as follows for the year ended June 30, 2017:

	Beginning Balance	Contributions	Releases	Ending Balance
Purpose restrictions:				
Istory/Mikitek	\$ 22,000		\$ (15,480)	\$ 6,520
Greater Boards	7,500		(7,500)	
FACES summer camp		\$ 20,000		20,000
Valor on 8th playground		75,000		75,000
Timing restriction	629,880	811,600	(720,813)	720,667
Timing and purpose restriction:				
United Way	45,000	50,004	(45,000)	50,004
	\$ 704,380	\$ 956,604	\$ (788,793)	\$ 872,191

NOTE 9 - IN-KIND CONTRIBUTIONS/EXPENSES

Donated goods and facilities are valued at their estimated fair value on the date of donation. 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 $1,102,727 are reported in the consolidated statement of activities, which includes a contribution of land in the amount of $22,000. In-kind expenses are reported in the consolidated statement of functional expenses as follows for the year ended June 30, 2017:

	Program Services	Management and General	Fundraising	Total
Professional and outside services	$ 22,578		$ 14,855	$ 37,433
Direct assistance to individuals	839,558			839,558
Materials and supplies			42,178	42,178
Space and occupancy	99,009	$ 14,439	48,110	161,558
Total in-kind expenses	$ 961,145	$ 14,439	$ 105,143	$ 1,080,727

NOTE 10 - COMMITMENTS AND 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.

During the fiscal year ended June 30, 2017, the Organization began construction of a conference center. As of June 30, 2017, the Organization had $213,332 in construction in progress related to the conference center, with a remaining commitment of approximately $625,000.

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 $161,558 as in-kind contributions/expense during the year ended June 30, 2017, 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, 2017

	Save the Family Foundation of Arizona	A.R.M. of Save the Family Foundation of Arizona	Eliminations	Total
ASSETS				
Current assets:				
Cash	$ 777,690	$ 404,344		$ 1,182,034
Grants receivable	302,740	355,997	$ (14,208)	644,529
Promises to give receivable, current portion	397,262			397,262
Due from related parties	75,000		(75,000)	
Note receivable from unrelated parties		75,000		75,000
Prepaid expenses	16,093			16,093
Total current assets	1,568,785	835,341	(89,208)	2,314,918
Promises to give receivable, less current portion	371,749			371,749
Long-term notes receivable from affiliate		2,034,288		2,034,288
Property and equipment, net	502,424	9,134,383		9,636,807
Investment in affiliate		233,668		233,668
Deposits	1,900			1,900
Total assets	$ 2,444,858	$ 12,237,680	$ (89,208)	$ 14,593,330
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$ 47,476	$ 137,777	$ (14,208)	$ 171,045
Accrued expenses	139,763	18,636		158,399
Due to related party		75,000	(75,000)	
Lines of credit		181,574		181,574
Refundable advances and deferred income		75,424		75,424
Notes payable, current portion	19,663			19,663
Total current liabilities	206,902	488,411	(89,208)	606,105
Notes payable, less current portion	108,142	1,093,411		1,201,553
Total liabilities	315,044	1,581,822	(89,208)	1,807,658
Net assets:				
Unrestricted:				
Board designated	200,000	150,000		350,000
Undesignated	1,057,623	10,505,858		11,563,481
Total unrestricted net assets	1,257,623	10,655,858		11,913,481
Temporarily restricted net assets	872,191			872,191
Total net assets	2,129,814	10,655,858		12,785,672
Total liabilities and net assets	$ 2,444,858	$ 12,237,680	$ (89,208)	$ 14,593,330

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, 2017

	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, and gain:						
Government grants	$ 1,667,560		$ 1,141,477			$ 2,809,037
United Way contributions	100,000	$ 50,004				150,004
Contributions	979,144	906,600	2,314			1,888,058
Contribution from related party	166,821				$ (166,821)	
In-kind contributions	1,101,333		1,394			1,102,727
Client and management fees	644,320		369,885		(533,207)	480,998
Rental income	1,365		1,023,937			1,025,302
Miscellaneous	4,438		31,732			36,170
Gain on disposals of assets	343,364					343,364
Thrift store revenue, net	80,496					80,496
Fundraising events:						
Gross fundraising events revenue	142,486					142,486
Less: direct donor benefit costs	(24,950)					(24,950)
Net fundraising events revenue	117,536					117,536
Net assets released from restrictions	788,793	(788,793)				
Total revenue, support, and gain	5,995,170	167,811	2,570,739		(700,028)	8,033,692
Expenses:						
Salaries	1,950,933		107,788			2,058,721
Employee related	343,304		14,217			357,521
Depreciation	26,255		420,563			446,818
Direct assistance to individuals	1,711,570		939,753		(92,157)	2,559,166
Direct unit costs	142,005		686,061			828,066
Equipment	63,780		334			64,114
Materials and supplies	90,563		1,358			91,921
Operating	175,013		43,665			218,678
Other program	4,050		166,858		(166,821)	4,087
Professional and outside services	290,591		429,154		(441,050)	278,695
Space and occupancy	333,150					333,150
Travel	80,626		8,326			88,952
Total expenses before pledge write off	5,211,840		2,818,077		(700,028)	7,329,889
Pledge write off from one donor	400,000					400,000
Total expenses and pledge write off	5,611,840		2,818,077		(700,028)	7,729,889
Change in net assets	383,330	167,811	(247,338)			303,803
Net assets, beginning of year	874,293	704,380	10,903,196			12,481,869
Net assets, end of year	$ 1,257,623	$ 872,191	$ 10,655,858	$	$	$ 12,785,672

The accompanying notes are an integral part of these statements.