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, 2018

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, 2018, 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, 2018, 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 November 28, 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

November 28, 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, 2018

ASSETS	
Current assets:	
Cash	$ 1,913,853
Grants receivable	396,880
Promises to give receivable, current portion	233,298
Prepaid expenses	17,379
Total current assets	2,561,410
Promises to give receivable, less current portion	156,759
Long-term notes receivable from affiliate	2,034,288
Property and equipment, net	10,253,249
Investment in affiliate	162,760
Deposits	2,900
Total assets	$ 15,171,366
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	$ 64,667
Accrued expenses	154,127
Lines of credit	173,445
Refundable advances and deferred income	83,237
Notes payable, current portion	25,356
Total current liabilities	500,832
Notes payable, less current portion	1,209,176
Total liabilities	1,710,008
Net assets:	
Unrestricted:	
Board designated	800,000
Undesignated	12,080,029
Total unrestricted net assets	12,880,029
Temporarily restricted net assets	581,329
Total net assets	13,461,358
Total liabilities and net assets	$ 15,171,366

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, 2018

	Unrestricted	Temporarily Restricted	Total
Revenue, support and gain:			
Government grants	$ 2,893,537		$ 2,893,537
United Way contributions	150,000		150,000
Contributions	1,481,462	$ 272,675	1,754,137
In-kind contributions	892,474		892,474
Client and management fees	537,927		537,927
Rental income	1,021,235		1,021,235
Miscellaneous	23,748		23,748
Gain on disposals of assets	37,273		37,273
Thrift store revenue, net	1,076		1,076
Fundraising events:			
Gross fundraising events revenue	266,926		266,926
Less: direct donor benefit cost	(143,844)		(143,844)
Net fundraising events revenue	123,082		123,082
Net assets released from restrictions	563,537	(563,537)	
Total revenue, support and gain	7,725,351	(290,862)	7,434,489
Expenses:			
Program services:			
Transitional Housing	688,097		688,097
FACES	547,413		547,413
Rapid Rehousing	2,137,494		2,137,494
LIHTC Programs	301,329		301,329
A.R.M./Property Management	2,550,673		2,550,673
Total program services	6,225,006		6,225,006
Management and general	418,870		418,870
Fundraising	851,076		851,076
Total expenses	7,494,952		7,494,952
Change in net assets, before capital grant	230,399	(290,862)	(60,463)
Capital grant	736,149		736,149
Change in net assets	966,548	(290,862)	675,686
Net assets, beginning of year	11,913,481	872,191	12,785,672
Net assets, end of year	$ 12,880,029	$ 581,329	$ 13,461,358

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, 2018

	Program Services						Supporting Services		
	Transitional Housing	FACES	Rapid Rehousing	LIHTC Programs	A.R.M./Property Management	Total Program Services	Management and General	Fundraising	Total
Salaries	$ 244,227	$ 208,695	$ 418,376	$ 121,504	$ 345,577	$ 1,338,379	$ 219,513	$ 461,479	$ 2,019,371
Employee related	48,003	39,745	79,561	24,315	63,254	254,878	35,043	76,466	366,387
Depreciation	3,220	2,751	5,516	1,602	429,464	442,553	2,894	6,084	451,531
Direct assistance to individuals	158,908	169,443	1,430,068	76,024	818,132	2,652,575			2,652,575
Direct unit costs	120,691				634,740	755,431			755,431
Equipment	9,960	7,786	16,953	6,108	12,231	53,038	10,071	12,097	75,206
Materials and supplies	3,854	5,411	6,263	3,139	7,899	26,566	2,559	22,383	51,508
Operating	10,256	8,499	19,888	15,978	111,202	165,823	23,923	89,932	279,678
Other expenses	1,402	5,449	1,468	443	1,023	9,785			9,785
Professional and outside services	37,195	50,168	64,212	18,749	46,336	216,660	99,292	119,894	435,846
Space and occupancy	39,553	32,185	65,030	27,954	61,860	226,582	24,145	53,635	304,362
Travel	10,828	17,281	30,159	5,513	18,955	82,736	1,430	9,106	93,272
Total expenses	$ 688,097	$ 547,413	$ 2,137,494	$ 301,329	$ 2,550,673	$ 6,225,006	$ 418,870	$ 851,076	$ 7,494,952

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, 2018

Cash flows from operating activities:	
Change in net assets	$ 675,686
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	451,531
Gain on disposals of assets	(37,273)
Change in discount on promises to give receivable	(535)
Changes in assets and liabilities:	
Grants receivable	247,649
Promises to give receivable	379,489
Short term note receivable	75,000
Prepaid expenses	(1,286)
Deposits	(1,000)
Accounts payable	(106,378)
Accrued expenses	(4,272)
Refundable advances and deferred income	7,813
Net cash provided by operating activities	1,686,424
Cash flows from investing activities:	
Proceeds from investment in affiliate	70,908
Purchases of property and equipment	(1,179,148)
Proceeds from sales of property and equipment	180,500
Net cash used by investing activities	(927,740)
Cash flows from financing activities:	
Net payments on line of credit	(8,129)
Payments on notes payable	(18,736)
Net cash used by financing activities	(26,865)
Net increase in cash	731,819
Cash, beginning of year	1,182,034
Cash, end of year	$ 1,913,853

Supplemental disclosures of cash flow information:	
Interest paid	$ 11,314
Supplemental disclosure of noncash investing and financing transactions:	
Vehicle financed with note payable	$ 32,050

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.

LIHTC: Supportive services are provided to low income families living in affiliated LIHTC permanent housing projects, focusing on helping families maintain stable community living and increasing their self-sufficiency.

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, 2018.

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 44% of the Organization's revenues for the year ended June 30, 2018.

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, 2018 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.

Refundable Advances and Deferred Income
The Organization records refundable rental security deposits as refundable advances until the funds are refunded or earned and recognized as revenue. Prepaid rent is recorded as deferred revenue until the period in which the funds are earned and recognized as revenue.

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 November 28, 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, 2018:

Promises to give – from organizations	$ 300,000
Promises to give – from individuals	91,750
	391,750
Discount on promises to give receivable (2.2% to 3.4%)	(1,693)
Net promises to give receivable	$ 390,057

Promises to give receivable are due as follows as of June 30, 2018:

Due within one year	$ 233,298
Due within two to four years	158,452
	391,750
Discount on promises to give receivable (2.2% to 3.4%)	(1,693)
Net promises to give receivable	$ 390,057

Promises to give totaling $200,000, or 51% of the balance due at June 30, 2018, was due from one foundation.

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, 2018.

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. During the year ended June 30, 2018, ARM received $70,908 from the affiliate, which reduced ARM's investment in affiliate on the consolidated statement of financial position to $162,760 at June 30, 2018.

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of June 30, 2018:

Land	$ 2,687,917
Buildings	11,390,036
Building improvements	728,508
Vehicles	142,943
	14,949,404
Accumulated depreciation and amortization	(4,696,155)
Property and equipment, net	$ 10,253,249

See Note 10 regarding restrictions as to use and reversionary interests for property and equipment purchased with, or donated by, governmental agencies.

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, 2020. Advances on the line of credit are payable monthly at the prime rate plus 0.5% with a floor rate of 5% (5.5% at June 30, 2018). There was no balance due on this line of credit at June 30, 2018.

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, 2020. Advances on the lines of credit are payable monthly at the prime rate plus 0.5% with a floor rate of 5% (5.5% at June 30, 2018). There was an outstanding balance on the property acquisition line of credit of $173,445 at June 30, 2018. There was no balance due on the operating line of credit at June 30, 2018.

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, 2018. 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, 2018:

$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.	$ 27,609
$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.	82,403

NOTE 7 - NOTES PAYABLE - CONTINUED

$32,051 note payable to purchase a vehicle, due in 60 monthly principal and interest payments of $606, including interest at 4.99%, maturing in April 2023. The note is secured by the vehicle.	31,109
$550,000 note payable to a financial institution including interest at 0%, with entire balance due upon maturity in February 2029. 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
	1,234,532
Less current maturities	(25,356)
	$ 1,209,176

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

2019	$ 25,356
2020	22,940
2021	80,182
2022	6,794
2023	5,848
Thereafter	1,093,412
Total future maturities	$ 1,234,532

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets activity was as follows for the year ended June 30, 2018:

	Beginning Balance	Contributions	Releases	Ending Balance
Purpose restrictions:				
Istory/Mikitek	$ 6,520		$ (6,520)	
Homeless Families Intervention Project		$ 93,500	(23,588)	$ 69,912
FACES	20,000	45,500	(20,833)	44,667
Valor on 8th playground	75,000		(75,000)	
Timing restrictions	720,667	133,675	(387,592)	466,750
Timing and purpose restriction:				
United Way	50,004		(50,004)	
	$ 872,191	$ 272,675	$ (563,537)	$ 581,329

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 $892,474 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, 2018:

	Program Services	Management and General	Fundraising	Total
Professional and outside services	$ 29,322		$ 13,476	$ 42,798
Direct assistance to individuals	620,270			620,270
Space and occupancy	103,846	$ 18,606	39,116	161,568
Other	53,844		13,994	67,838
Total in-kind expenses	$ 807,282	$ 18,606	$ 66,586	$ 892,474

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.

During the years ended June 30, 2017 and 2018, STF received Community Development Block Grant (CDBG) federal grant funding passed through the City of Mesa, Arizona (the City), to construct a conference center costing approximately $1 million, on a parcel of land that was donated to STF by the City. The agreements include restrictive covenants for the property to be used for specific programmatic purposes by certain agencies. The title on the property restricts the uses described above in perpetuity for current and future owners, unless a release from the restrictions is approved by the City.

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 $161,568 as in-kind contributions/expense during the year ended June 30, 2018, which approximates the estimated fair value of the donated facility.

During the year ended June 30, 2018, the Organization paid a company owned by a STF board member approximately $71,000 for information technology support services. The Organization complied with its conflict of interest policy requiring all board members to sign and disclose potential conflicts of interest annually.

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, 2018

	Save the Family Foundation of Arizona	A.R.M. of Save the Family Foundation of Arizona	Eliminations	Total
ASSETS				
Current assets:				
Cash	$ 1,248,264	$ 665,589		$ 1,913,853
Grants receivable	218,275	222,723	$ (44,118)	396,880
Promises to give receivable, current portion	233,298			233,298
Prepaid expenses	17,379			17,379
Total current assets	1,717,216	888,312	(44,118)	2,561,410
Promises to give receivable, less current portion	156,759			156,759
Long-term notes receivable from affiliate		2,034,288		2,034,288
Property and equipment, net	1,251,493	9,001,756		10,253,249
Investment in affiliate		162,760		162,760
Deposits	1,900	1,000		2,900
Total assets	$ 3,127,368	$ 12,088,116	$ (44,118)	$ 15,171,366
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$ 47,083	$ 61,702	$ (44,118)	$ 64,667
Accrued expenses	135,697	18,430		154,127
Lines of credit		173,445		173,445
Refundable advances and deferred income		83,237		83,237
Notes payable, current portion	25,356			25,356
Total current liabilities	208,136	336,814	(44,118)	500,832
Notes payable, less current portion	115,765	1,093,411		1,209,176
Total liabilities	323,901	1,430,225	(44,118)	1,710,008
Net assets:				
Unrestricted:				
Board designated	450,000	350,000		800,000
Undesignated	1,772,138	10,307,891		12,080,029
Total unrestricted net assets	2,222,138	10,657,891		12,880,029
Temporarily restricted net assets	581,329			581,329
Total net assets	2,803,467	10,657,891		13,461,358
Total liabilities and net assets	$ 3,127,368	$ 12,088,116	$ (44,118)	$ 15,171,366

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, 2018

	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	$ 1,781,660		$ 1,111,877			$ 2,893,537
United Way contributions	150,000					150,000
Contributions	1,479,557	$ 272,675	79,905		$ (78,000)	1,754,137
Contribution from related party	110,895				(110,895)	
In-kind contributions	838,300		54,174			892,474
Client and management fees	643,735		415,202		(521,010)	537,927
Rental income	1,156		1,020,079			1,021,235
Miscellaneous	9,391		14,357			23,748
Gain on disposals of assets	2,500		34,773			37,273
Thrift store revenue, net	1,076					1,076
Fundraising events:						
Gross fundraising events revenue	266,926					266,926
Less: direct donor benefit costs	(143,844)					(143,844)
Net fundraising events revenue	123,082					123,082
Net assets released from restrictions	563,537	(563,537)				
Total revenue, support, and gain	5,704,889	(290,862)	2,730,367		(709,905)	7,434,489
Expenses:						
Salaries	1,906,152		113,219			2,019,371
Employee related	351,417		14,970			366,387
Depreciation	25,131		426,400			451,531
Direct assistance to individuals	1,834,708		913,873		(96,006)	2,652,575
Direct unit costs	124,945		630,486			755,431
Equipment	75,206					75,206
Materials and supplies	49,874		1,634			51,508
Operating	260,649		97,029		(78,000)	279,678
Other expenses	9,785		110,895		(110,895)	9,785
Professional and outside services	448,414		412,436		(425,004)	435,846
Space and occupancy	304,362					304,362
Travel	85,880		7,392			93,272
Total expenses	5,476,523		2,728,334		(709,905)	7,494,952
Change in net assets, before capital grant	228,366	(290,862)	2,033			(60,463)
Capital grant	736,149					736,149
Change in net assets	964,515	(290,862)	2,033			675,686
Net assets, beginning of year	1,257,623	872,191	10,655,858			12,785,672
Net assets, end of year	$ 2,222,138	$ 581,329	$ 10,657,891	$	$	$ 13,461,358

The accompanying notes are an integral part of these statements.