Financial Statements
June 30, 2023 and 2022

The Foster Alliance
(FKA Arizona Helping Hands, Inc.)

Independent Auditor's Report

To the Board of Directors
The Foster Alliance (FKA Arizona Helping Hands, Inc.)
Phoenix, Arizona

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Foster Alliance (formerly known as [FKA] Arizona Helping Hands, Inc.) (the Organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Organization has adopted the provisions of FASB Accounting Standards Codification Topic 842, *Leases,* as of July 1, 2022, using the modified retrospective approach with an adjustment at the beginning of the adoption period. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

2355 E. Camelback Rd., Ste. 900 | Phoenix, AZ 85016-9065 | T 480.315.1040 | F 480.315.1041 | EOE

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

Auditor's Responsibilities of the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Eide Bailly LLP

Phoenix, Arizona
January 29, 2024

	2023	2022
Current Assets		
Cash and cash equivalents	$ 4,346,860	$ 4,386,239
Current portion of promises to give	52,738	85,000
Inventory	1,400,781	2,204,485
Prepaid expenses and other assets	67,638	48,851
Total current assets	5,868,017	6,724,575
Promises to Give, Net of Current Portion	-	8,300
Property and Equipment, Net	3,131,798	3,133,683
Operating Lease Right of Use Asset	10,175	-
Investments	1,708,697	1,616,645
Total assets	$ 10,718,687	$ 11,483,203
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 56,570	$ 24,898
Current maturities of operating lease liability	2,260	-
Other accrued liabilities	60,959	97,801
Total current liabilities	119,789	122,699
Operating Lease Liability, Less Current Maturities	7,915	-
Total liabilities	127,704	122,699
Net Assets		
Without donor restrictions		
Undesignated	10,164,089	10,874,084
Designated by the Board for operating reserve	381,813	381,813
	10,545,902	11,255,897
With donor restrictions	45,081	104,607
Total net assets	10,590,983	11,360,504
Total liabilities and net assets	$ 10,718,687	$ 11,483,203

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, and Gains			
In-kind contributions	$ 2,279,393	$ -	$ 2,279,393
Contributions	2,534,697	386,796	2,921,493
Merchandise sales, less cost of sales of $4,181	1,377	-	1,377
Fundraising events	51,329	-	51,329
Net investment return	80,862	-	80,862
Other	31,386	-	31,386
Total support, revenue, and gains before net assets released from restrictions	4,979,044	386,796	5,365,840
Net assets released from restrictions	446,322	(446,322)	-
Total support, revenue, and gains	5,425,366	(59,526)	5,365,840
Expenses			
Program services	4,997,232	-	4,997,232
Supporting services			
Management and general	842,593	-	842,593
Fundraising	295,536	-	295,536
Total supporting services expenses	1,138,129	-	1,138,129
Total expenses	6,135,361	-	6,135,361
Change in Net Assets	(709,995)	(59,526)	(769,521)
Net Assets, Beginning of Year	11,255,897	104,607	11,360,504
Net Assets, End of Year	$ 10,545,902	$ 45,081	$ 10,590,983

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue, Gains (Losses)			
In-kind contributions	$ 2,919,114	$ -	$ 2,919,114
Contributions	2,546,990	482,214	3,029,204
Merchandise sales, less cost of sales of $5,092	461	-	461
Fundraising events	114,019	-	114,019
Net investment loss	(37,080)	-	(37,080)
Other	9,871	-	9,871
Total support, revenue, gains (losses) before net assets released from restrictions	5,553,375	482,214	6,035,589
Net assets released from restrictions	379,894	(379,894)	-
Total support, revenue, gains (losses)	5,933,269	102,320	6,035,589
Expenses			
Program services	3,392,564	-	3,392,564
Supporting services			
Management and general	608,448	-	608,448
Fundraising	236,258	-	236,258
Total supporting services expenses	844,706	-	844,706
Total expenses	4,237,270	-	4,237,270
Change in Net Assets	1,695,999	102,320	1,798,319
Net Assets, Beginning of Year	9,559,898	2,287	9,562,185
Net Assets, End of Year	$ 11,255,897	$ 104,607	$ 11,360,504

	2023				
		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and Wages	$ 682,194	$ 266,482	$ 117,252	$ 383,734	$ 1,065,928
Payroll Taxes and Benefits	133,940	52,320	23,024	75,344	209,284
	816,134	318,802	140,276	459,078	1,275,212
Professional Fees	-	356,254	49,638	405,892	405,892
Holiday Toys and Supplies	338,248	-	-	-	338,248
Birthday Gifts and Packages	641,617	-	-	-	641,617
Assistance to Youth and Foster Families	2,932,584	-	-	-	2,932,584
Backpacks and School Supplies	75,515	-	-	-	75,515
Occupancy	64,900	3,303	619	3,922	68,822
Telephone and Internet	-	5,966	-	5,966	5,966
Bank and Credit Card Fees	-	-	58,219	58,219	58,219
Office Supplies	-	22,227	-	22,227	22,227
Insurance	-	15,205	-	15,205	15,205
Depreciation	79,856	102,084	620	102,704	182,560
Printing and Postage	-	3,681	-	3,681	3,681
Advertising, Marketing, and Promotions	-	-	41,096	41,096	41,096
Travel and Auto	20,017	-	-	-	20,017
Other Expense	28,361	15,071	5,068	20,139	48,500
Total expenses	$ 4,997,232	$ 842,593	$ 295,536	$ 1,138,129	$ 6,135,361

	2022				
		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Functional Expenses
Salaries and Wages	$ 304,124	$ 254,925	$ 102,234	$ 357,159	$ 661,283
Payroll Taxes and Benefits	60,181	50,446	20,231	70,677	130,858
	364,305	305,371	122,465	427,836	792,141
Professional Fees	-	170,479	5,273	175,752	175,752
Holiday Toys and Supplies	81,969	-	-	-	81,969
Birthday Gifts and Packages	290,981	-	-	-	290,981
Assistance to Youth and Foster Families	2,426,612	-	-	-	2,426,612
Backpacks and School Supplies	60,681	-	-	-	60,681
Occupancy	48,650	2,476	464	2,940	51,590
Telephone and Internet	-	5,867	-	5,867	5,867
Bank and Credit Card Fees	-	-	36,753	36,753	36,753
Office Supplies	-	10,797	-	10,797	10,797
Insurance	-	20,227	-	20,227	20,227
Depreciation	82,890	89,797	-	89,797	172,687
Printing and Postage	-	1,074	-	1,074	1,074
Advertising, Marketing, and Promotions	-	-	69,418	69,418	69,418
Travel and Auto	4,835	-	-	-	4,835
Other Expense	31,641	2,360	1,885	4,245	35,886
Total expenses	$ 3,392,564	$ 608,448	$ 236,258	$ 844,706	$ 4,237,270

	2023	2022
Operating Activities		
Change in net assets	$ (769,521)	$ 1,798,319
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	182,560	172,687
Realized and unrealized (gain) loss on investments	(29,772)	46,327
Contributed investments	(11,186)	(6,973)
Change in inventory	803,704	(505,049)
Changes in operating assets and liabilities		
Promises to give	40,562	(50,786)
Prepaid expenses and other assets	(18,787)	(605)
Accounts payable	31,672	(67,422)
Other accrued liabilities	(36,842)	22,566
Net Cash from Operating Activities	192,390	1,409,064
Investing Activities		
Purchases of investments	(51,090)	(9,247)
Purchases of property and equipment	(180,679)	(12,860)
Net Cash used for Investing Activities	(231,769)	(22,107)
Net Change in Cash and Cash Equivalents	(39,379)	1,386,957
Cash and Cash Equivalents, Beginning of Year	4,386,239	2,999,282
Cash and Cash Equivalents, End of Year	$ 4,346,860	$ 4,386,239
Supplemental Disclosures of Non-cash Investing and Financing Activities		
Contributed investments	$ 11,186	$ 6,973
Property and equipment additions included in other accrued liabilities	$ -	$ 34,740

Note 1 - Principal Activity and Significant Accounting Policies

Organization

The Foster Alliance (FKA Arizona Helping Hands, Inc.) (the Organization) was established and incorporated in 1998 in the State of Arizona. The Organization's mission is to provide basic essential needs to boys and girls in foster care throughout Arizona. Programs include providing beds, cribs, clothing, diapers, personal care packages, back to school supplies, holiday toys and personalized birthday packages to thousands of boys and girls throughout the State of Arizona. The Organization is primarily funded through donations of inventory items and contributions.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The discount was not material to the financial statements and as such, no discount has been recorded for the years ended June 30, 2023 and 2022. Allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2023 and 2022, no allowance was considered necessary.

Inventory

Inventory consist primarily of donated and purchased toys, clothing, furniture, household and other items. The fair value of donated inventory items is estimated using estimated retail or replacement values. Purchased inventory is stated at the lower of cost or net realizable value using a specific identification method.

Property and Equipment and Related Depreciation

Property and equipment additions over $1,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2023 and 2022.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Revenue is recognized from sales of merchandise when the products are transferred. Merchandise sales are recognized at the time of purchase.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. During the years ended June 30, 2023 and 2022, the Organization received a conditional matching contribution not to exceed $50,000 and $100,000 in calendar years 2023 and 2022, respectively. At June 30, 2023 and 2022, conditional contributions approximating $18,500 and $73,000, respectively, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

Fundraising revenues include funds raised from sponsorships for annual events as well as funds contributed on behalf of third parties that have chosen to host their own fundraising events to raise funds for the Organization. Contributions from these fundraising events are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

In-Kind Contributions

In-kind contributions include donated inventory and materials, which are recorded at their respective estimated fair values of the goods received (Note 7). The Organization does not sell donated gifts-in-kind; however, the donated gifts-in-kind are used in delivering program services. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Advertising Costs

Advertising costs are expensed as incurred and totaled $41,096 and $69,418 during the years ended June 30, 2023 and 2022, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes and benefits, professional fees, occupancy, and depreciation, which are allocated based on a square footage basis or time and effort basis.

Income Tax Status

The Organization is organized as an Arizona nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

Credit risk associated with promises to give are limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Organization's mission. Investments are made by diversified investment managers whose performance is monitored by the Organization. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. The Organization maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2023 and 2022, accounts exceeding the FDIC insured limit of $250,000 totaled approximately $130,000 and $3,171,000.

Adoption of Accounting Standards Codification Topic 842

Effective July 1, 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). The Organization elected to apply the guidance as of July 1, 2022, the beginning of the adoption period. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the income statement as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing leases as either finance or operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, the beginning of the adoption period, an operating lease liability and operating right-of-use asset of $11,819.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Recent Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which replaces the incurred loss method of estimating credit losses with an expected loss method referred to as the current expected credit loss (CECL) model. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including trade and loan receivables, and held to maturity debt securities. Under the CECL model, an entity measures all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The standard expands the disclosure requirements regarding an entity's assumptions, models, and methods for estimating the allowance for loan and leases losses.

ASU 2016-13 is effective for the Organization in its annual reporting period beginning after December 15, 2022. The Organization is currently evaluating the impact the new standard will have on its financial statements and related disclosures.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	$ 4,346,860	$ 4,386,239
Promises to give due within one year	52,738	85,000
Investments	1,708,697	1,616,645
Less Board designated net assets	(381,813)	(381,813)
Less net assets with donor restrictions	(45,081)	(104,607)
Financial assets available to meet general expenditures within one year	$ 5,681,401	$ 5,601,464

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal, including cash, investments and current promises to give. The Organization structures its financial assets to be available to meet general expenditures, liabilities, and other obligations as they come due. The Organization manages its liquid resources by depositing excess cash in certificate of deposits and interest-bearing cash accounts. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization prepares and operates within an annual budget.

Note 3 - Investments and Fair Value Measurements

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of investment assets are classified within Level 1 because they comprise of open-end equity securities and alternative assets with readily determinable fair values based on daily redemption values. The Organization invests in certificates of deposit (CDs) traded in the financial markets. Those CDs are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2.

The following table presents assets measured at fair value on a recurring basis at June 30, 2023:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	$ 1,194,856	$ -	$ 1,194,856	$ -
Equities	439,947	439,947	-	-
Alternative assets	72,402	72,402	-	-
Cash and money market funds (at cost)	1,492	-	-	-
Total	$ 1,708,697	$ 512,349	$ 1,194,856	$ -

The following table presents assets measured at fair value on a recurring basis at June 30, 2022:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	$ 1,178,921	$ -	$ 1,178,921	$ -
Equities	346,714	346,714	-	-
Alternative assets	28,779	28,779	-	-
Cash and money market funds (at cost)	62,231	-	-	-
Total	$ 1,616,645	$ 375,493	$ 1,178,921	$ -

Investment income and gains and losses consists of the following for the years ended June 30, 2023 and 2022:

	2023	2022
Investment income	$ 57,085	$ 10,417
Realized and unrealized gains (losses)	29,772	(46,327)
Investment fees	(5,995)	(1,170)
	$ 80,862	$ (37,080)

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2023 and 2022:

	2023	2022
Within one year	$ 52,738	$ 85,000
In one to five years	-	8,300
	$ 52,738	$ 93,300

Note 5 - Property and Equipment

Property and equipment consisted of the following at June 30, 2023 and 2022:

	2023	2022
Land	$ 720,000	$ 720,000
Building	1,157,581	1,157,581
Building improvements	1,407,797	1,362,394
Furniture, fixtures, and equipment	100,622	101,630
Computer and office equipment	73,418	41,655
Vehicles	149,228	91,984
Software	284,578	247,223
	3,893,224	3,722,467
Less accumulated depreciation	(761,426)	(588,784)
	$ 3,131,798	$ 3,133,683

Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2023 and 2022:

	2023	2022
Subject to Expenditure for Specified Purpose		
Licensing and safety	$ -	$ 6,307
Technology integration	5,000	-
Other	281	5,000
	5,281	11,307
Subject to the Passage of Time		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	39,800	93,300
	$ 45,081	$ 104,607

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Expiration of time restrictions	$ 85,000	$ 62,060
Satisfaction of purpose restrictions		
Back to school	30,059	11,850
Basic needs	210,710	182,623
Licensing and safety	6,307	93,693
Holiday toy drive	42,728	27,223
Personal care	-	35
Birthday program	11,716	2,210
Footlocker	15,100	200
Apparel	8,700	-
Other	36,002	-
	$ 446,322	$ 379,894

Note 7 - In-kind Contributions

For the years ended June 30, 2023 and 2022, in-kind contributions recognized within the statements of activities included the following:

	2023	2022
Toys	$ 679,386	$ 784,737
Back to school supplies	117,243	63,927
License and safety	124	485
Birthday gifts and supplies	16,631	37,985
Bikes	30,493	22,074
Holiday gifts	-	5,170
Beds/bedding	215,379	96,384
Personal care items	125,958	175,344
Apparel	1,001,595	1,187,783
Comfort care items	31,335	36,034
Other basic needs	26,077	47,690
Other miscellaneous community support	35,172	461,501
	$ 2,279,393	$ 2,919,114

All contributed items are valued at estimated retail or replacement cost for identical or similar products using pricing data under a "like-kind" methodology considering the goods' condition and utility for use at the time of the contribution. A moving weighted-average approach is used to value certain items including bulk contributions of apparel. Contributed items are used in program services.

All gifts-in-kind received during the years ended June 30, 2023 and 2022 were unrestricted.

Note 8 - Employee Benefits

The Organization sponsors a tax-deferred annuity plan (the Plan) qualified under IRC Section 403(b) covering substantially all full-time employees. The Plan provides that all eligible employees may voluntarily contribute a portion of their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are equal to the elective employee deferrals not to exceed the lesser of 3% of the employee's compensation, plus 50% of elective employee deferrals in excess of 3%, but not to exceed 5% of the employee's compensation. During the years ended June 30, 2023 and 2022, the Organization made matching contributions of $16,021 and $3,987, respectively, to the Plan.

Note 9 - Related Party Transactions

During the years ended June 30, 2023 and 2022, in-kind contributions totaling $34,290 and $25,124, respectively, were made on behalf of members of the Board of Directors.

During the years ended June 30, 2023 and 2022, IT services totaling $0 and $29,740, respectively, were provided by a company wherein a member of the Board of Directors plays a vital role in operations.

During the years ended June 30, 2023 and 2022, administrative services totaling $0 and $11,250, respectively, were provided by a member of the Board of Directors.

Note 10 - Litigations, Claims, and Disputes

The Organization is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. Management assesses the ultimate settlement of any litigations, claims, and disputes in process in determining whether a liability should be recorded, or a disclosure should be presented.

Note 11 - Subsequent Events

The Organization has evaluated subsequent events through January 29, 2024, the date the financial statements were available to be issued.

A lease agreement was entered into on November 30, 2023 with terms of monthly payment range of approximately $3,800 to $4,000 over two years.

Subsequent to year end, the Organization entered into various construction contracts for a renovation project at their Thunderbird Campus. The contracts have a total value of approximately $123,200, of which approximately $62,800 has been in-kind contributions of labor and materials.