

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.

FINANCIAL STATEMENTS

June 30, 2022 and 2021

CONTENTS

Independent Auditor's Report	1
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Arab-American Family Support Center, Inc.
Brooklyn, New York

Opinion

We have audited the financial statements of The Arab-American Family Support Center, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, 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 present fairly, in all material respects, the financial position of The Arab-American Family Support Center, Inc. as of June 30, 2022 and 2021, 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 for the Audit of the Financial Statements section of our report. We are required to be independent of The Arab-American Family Support Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, The Arab-American Family Support Center, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective July 1, 2021. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Arab-American Family Support Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 Arab-American Family Support Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Arab-American Family Support Center, Inc.'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.

Wegner CPAs LLP

Wegner CPAs, LLP
New York, New York
March 1, 2023

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 467,711	\$ 1,846,407
Grants receivable	4,718,631	2,719,222
Unconditional promises to give	377,577	481,644
Prepaid expenses	135,302	156,004
Equipment and software, net	<u>462,084</u>	<u>18,346</u>
Total assets	<u>\$ 6,161,305</u>	<u>\$ 5,221,623</u>
LIABILITIES		
Accounts payable	\$ 239,672	\$ 120,973
Accrued payroll and vacation	617,562	479,205
Refundable advances	87,375	85,230
Paycheck Protection Program loan	<u>-</u>	<u>807,445</u>
Total liabilities	944,609	1,492,853
NET ASSETS		
Without donor restrictions	4,707,211	2,913,328
With donor restrictions	<u>509,485</u>	<u>815,442</u>
Total net assets	<u>5,216,696</u>	<u>3,728,770</u>
Total liabilities and net assets	<u>\$ 6,161,305</u>	<u>\$ 5,221,623</u>

See accompanying notes.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions			
Government grants	\$ 11,128,887	\$ -	\$ 11,128,887
Foundation grants and support	976,115	490,125	1,466,240
Individuals	513,635	-	513,635
In-kind donations	475,341	-	475,341
Other revenues and gains			
Forgiveness of Paycheck			
Protection Program loan	807,445	-	807,445
Interest income	19	-	19
Other	5,000	-	5,000
Net assets released from restrictions			
Satisfaction of purpose restrictions	424,471	(424,471)	-
Satisfaction of time restrictions	371,611	(371,611)	-
Total revenues	14,702,524	(305,957)	14,396,567
EXPENSES			
Program services			
Prevent	7,639,659	-	7,639,659
Communicate	79,473	-	79,473
Get Ready	1,136,964	-	1,136,964
Promote	1,653,354	-	1,653,354
Total program services	10,509,450	-	10,509,450
Supporting activities			
Management and general	2,136,915	-	2,136,915
Fundraising	262,276	-	262,276
Total expenses	12,908,641	-	12,908,641
Change in net assets	1,793,883	(305,957)	1,487,926
Net assets at beginning of year	2,913,328	815,442	3,728,770
Net assets at end of year	\$ 4,707,211	\$ 509,485	\$ 5,216,696

See accompanying notes.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions			
Government grants	\$ 8,057,719	\$ -	\$ 8,057,719
Foundation grants and support	772,540	698,775	1,471,315
Individuals	79,592	-	79,592
In-kind donations	9,846	-	9,846
Other revenues			
Interest income	36	-	36
Other	9,224	-	9,224
Net assets released from restrictions			
Satisfaction of purpose restrictions	623,419	(623,419)	-
Satisfaction of time restrictions	8,333	(8,333)	-
Total revenues	9,560,709	67,023	9,627,732
EXPENSES			
Program services			
Prevent	6,889,646	-	6,889,646
Communicate	25,317	-	25,317
Get Ready	269,105	-	269,105
Promote	813,094	-	813,094
Total program services	7,997,162	-	7,997,162
Supporting activities			
Management and general	1,265,921	-	1,265,921
Fundraising	192,737	-	192,737
Total expenses	9,455,820	-	9,455,820
Change in net assets	104,889	67,023	171,912
Net assets at beginning of year	2,808,439	748,419	3,556,858
Net assets at end of year	\$ 2,913,328	\$ 815,442	\$ 3,728,770

See accompanying notes.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	<u>Prevent</u>	<u>Communicate</u>	<u>Get Ready</u>	<u>Promote</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 6,648,776	\$ 76,261	\$ 683,631	\$ 1,129,347	\$ 987,549	\$ 174,612	\$ 9,700,176
Professional fees	125,268	-	5,237	36,142	777,233	64,408	1,008,288
Dues and fees	2,087	-	793	1,034	49,556	1,217	54,687
Travel	21,645	-	-	8,179	1,466	31	31,321
Conferences and meetings	47,376	-	1,628	1,820	14,983	960	66,767
Occupancy	512,223	2,712	85,024	13,949	90,484	-	704,392
Repairs and maintenance	73,573	-	67,884	6,820	71,247	-	219,524
Assistance to individuals	1,466	-	-	414,080	-	-	415,546
Insurance	-	-	3,500	-	56,920	-	60,420
Payroll processing fees	-	-	-	-	32,712	-	32,712
Food and supplies	53,963	500	19,334	6,205	16,230	10,642	106,874
Job advertising	11,686	-	-	-	2,759	-	14,445
Telephone and internet	64,362	-	6,659	10,000	3,719	2,540	87,280
Depreciation	-	-	-	-	5,030	-	5,030
Miscellaneous	77,234	-	263,274	25,778	27,027	7,866	401,179
Total expenses	\$ 7,639,659	\$ 79,473	\$ 1,136,964	\$ 1,653,354	\$ 2,136,915	\$ 262,276	\$ 12,908,641

See accompanying notes.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	<u>Prevent</u>	<u>Communicate</u>	<u>Get Ready</u>	<u>Promote</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 5,799,326	\$ 25,317	\$ 268,647	\$ 605,927	\$ 695,050	\$ 171,191	\$ 7,565,458
Professional fees	260,384	-	-	-	409,821	-	670,205
Dues and fees	52,201	-	306	1,010	6,357	1,368	61,242
Travel	25,397	-	-	-	2,635	649	28,681
Conferences and meetings	56,702	-	130	15,540	7,509	1,850	81,731
Occupancy	464,263	-	13	26	47,461	11,849	523,612
Repairs and maintenance	82,174	-	-	-	8,526	2,099	92,799
Assistance to individuals	20,913	-	-	172,288	-	-	193,201
Insurance	25,612	-	-	-	2,657	655	28,924
Payroll processing fees	-	-	-	-	29,034	-	29,034
Food and supplies	9,642	-	9	18,254	2,215	697	30,817
Job advertising	-	-	-	-	44,998	-	44,998
Telephone and internet	64,466	-	-	49	6,694	1,648	72,857
Depreciation	2,860	-	-	-	297	73	3,230
Miscellaneous	25,706	-	-	-	2,667	658	29,031
Total expenses	<u>\$ 6,889,646</u>	<u>\$ 25,317</u>	<u>\$ 269,105</u>	<u>\$ 813,094</u>	<u>\$ 1,265,921</u>	<u>\$ 192,737</u>	<u>\$ 9,455,820</u>

See accompanying notes.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
STATEMENT OF CASH FLOWS
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,487,926	\$ 171,912
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	5,030	3,230
Paycheck Protection Program loan forgiven	(807,445)	-
(Increase) decrease in assets		
Grants receivable	(1,999,409)	(1,156,176)
Unconditional promises to give	104,067	(466)
Prepaid expenses	20,702	(73,108)
Increase in liabilities		
Accounts payable	118,699	23,754
Accrued payroll and vacation	138,357	188,075
Refundable advances	2,145	46,542
	<u>(929,928)</u>	<u>(796,237)</u>
Net cash flows from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	<u>(448,768)</u>	<u>(18,000)</u>
Change in cash	(1,378,696)	(814,237)
Cash at beginning of year	<u>1,846,407</u>	<u>2,660,644</u>
Cash at end of year	<u>\$ 467,711</u>	<u>\$ 1,846,407</u>

See accompanying notes.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Arab-American Family Support Center, Inc. (AAFSC) is a not-for-profit community-based organization dedicated to providing an array of prevention and support services for Arab-American individuals, children, and families throughout New York City.

Programs include family and children preventive services, anti-violence programs targeting marital conflict, child abuse, domestic violence, related education, literacy, health, and disaster relief programs. Additional resources include newsletters and classes, counseling services, mental health and other health and safety prevention, support group activities, community outreach and cultural programs, immigration issues, and coalition building and advocacy on behalf of the Arab-American community and immigrant communities throughout New York City.

Funding consists primarily of federal and federal pass-through, state, local and affiliated organization government grants.

Adoption of New Accounting Guidance

On September 17, 2020, the Financial Accounting Standards Board issued Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets*. The intent of this Update is to improve transparency in the reporting of contributed nonfinancial assets (also known as in-kinds) received by not-for-profit entities. The Update requires a not-for-profit entity to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The Update also requires enhanced disclosures about the valuation of contributed nonfinancial assets and their use in programs and other activities, including any donor-imposed restrictions on such use. The Organization adopted the requirements of this Update effective July 1, 2021. The changes required by this Update have been applied retrospectively to all periods presented.

Government Grants

AAFSC receives grants from government agencies that are conditioned upon AAFSC incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by AAFSC, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. All grants receivable are due within one year. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions. Costs are allocated to these grants in accordance with established procedures and are subject to audit by the various government agencies. No determination has been made regarding the effect, if any, such audits could have on the financial statements.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Uncollectible promises are written off after management has used reasonable collection efforts and determine the promises will not be collected. Promises to give at June 30, 2022 and 2021 are receivable within one year.

Equipment and Software

Equipment and software are carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or related lease terms. The cost of repairs and maintenance are charged against operations as incurred.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel which is allocated on the basis of estimates of time and effort, as well as occupancy which is allocated on a square-footage basis. The following program services are included in the accompanying financial statements:

Prevent – AAFSC strengthens families, prevents child abuse, and works to end domestic and gender-based violence. AAFSC is contracted by the New York City Administration for Children's Services (ACS) to provide early intervention, counseling, parenting classes, and referrals with a strengths-based approach to help families build happy, healthy homes.

AAFSC empowers survivors of domestic violence, dating violence, sexual assault, stalking, and all forms of gender-based violence through crisis intervention, individual counseling, safety planning, and referrals. AAFSC works with young adults on building healthy relationship habits. AAFSC also conducts community outreach and cultural competency trainings for external agencies and service providers.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promote – AAFSC promotes wellness, family reunification, restorative justice, equity, and fair policies. Through AAFSC’s Community Health & Well-Being unit, AAFSC provides individual mental health counseling services and wraparound support to reduce stigma. AAFSC enrolls individuals in health insurance, SNAP enrollment, and helps families navigate resources. Through AAFSC Legal Services, we provide free immigration-based legal support to reunite families and offer know-your-rights trainings.

Get Ready – AAFSC prepares families to learn, work, succeed, give back, and lead healthy, productive lives. Through AAFSC Adult Education and Literacy Program, AAFSC provide English Language and Civics courses, citizenship prep, job readiness support, and civic engagement opportunities. Through AAFSC Caregiver-Child Bonding Circles, AAFSC promotes socio-emotional development for babies and their parents after experiencing trauma. Through AAFSC Youth and Young Adult Program, AAFSC offer academic tutoring, leadership development, college and career readiness, individual mental health counseling, and arts enrichment to develop young adults’ skills and self-reliance and help them succeed.

Communicate – AAFSC educates community members about the policies that affect their lives and increases knowledge amongst partners and policy makers about the challenges immigrants and refugees face.

Management and general – Management and general activities relate to the overall direction of AAFSC and include the functions necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of AAFSC, and perform other administrative functions.

Fundraising – Fundraising activities relate to soliciting contributions from individuals, foundations, and others, and other activities that involve inducing potential donors to contribute assets, services, or time to AAFSC.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Income Tax Status

AAFSC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, AAFSC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Date of Management’s Review

Management has evaluated subsequent events through March 1, 2023, the date which the financial statements were available to be issued.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 2—CONCENTRATION OF CREDIT RISK

AAFSC maintains cash balances at a financial institution located in New York, New York. The accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2022 and 2021, AAFSC's uninsured cash balances total approximately \$217,000 and \$1,596,000.

NOTE 3—EQUIPMENT AND SOFTWARE

Equipment and software consist of the following:

	<u>2022</u>	<u>2021</u>
Equipment and software	\$ 473,920	\$ 25,152
Less: accumulated depreciation	<u>(11,836)</u>	<u>(6,806)</u>
Equipment and software, net	<u>\$ 462,084</u>	<u>\$ 18,346</u>

NOTE 4—NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2022</u>	<u>2021</u>
Youth program	\$ 50,000	\$ 201,667
Outreach	50,000	-
Subsequent years' activities	229,860	390,971
Pandemic and emergency response	54,625	52,000
Restorative justice	60,000	-
Health care delivery system	-	10,804
Communicate	45,000	-
Mental health services	-	45,000
Racial equity	-	80,000
Food security	20,000	10,000
Anti-violence	<u>-</u>	<u>25,000</u>
Net assets with donor restrictions	<u>\$ 509,485</u>	<u>\$ 815,442</u>

NOTE 5—LEASES

AAFSC leases its primary program and administrative office space in Brooklyn, New York. The current lease is for a three-year period ending April 30, 2023. Rental payments are due monthly and adjusted annually for cost escalations.

On October 1, 2017, AAFSC entered into a lease in Long Island City, New York. The current lease is for a five-year period ending September 30, 2025. Rental payments are due monthly and adjusted annually for cost escalations.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 5—LEASES (continued)

On July 1, 2020, AAFSC entered into a lease in Bronx, New York. The current lease is for a five-year period ending June 30, 2025. Rental payments are due monthly and adjusted annually for cost escalations.

On February 15, 2021, AAFSC entered into a new lease in Long Island City, New York. The current lease is for a period ending September 30, 2025. Rental payments are due monthly and adjusted annually for cost escalations.

On September 1, 2021, AAFSC entered into a new lease in Brooklyn, New York. The current lease is for a period ending August 31, 2026. Rental payments are due monthly and adjusted annually for cost escalations.

AAFSC leases certain office equipment for use in the performance of government and non-government sponsored grants. Equipment is leased under restrictive funding provisions of the projects. Leased equipment is required to be utilized in the performance of the contract or after its completion a subsequent affiliated program. The leased equipment costs are expensed when incurred under grant provisions and no depreciation is recorded thereon.

Future minimum obligations under the leases for the years ending June 30 are as follows:

2023	\$ 669,029
2024	511,372
2025	530,024
2026	318,125
2027	<u>46,580</u>
Total	<u>\$ 2,075,130</u>

Rent expense for the years ended June 30, 2022 and 2021 was \$552,183 and \$388,705.

NOTE 6—RETIREMENT PLAN

AAFSC has established a qualified deferred compensation plan. Substantially all employees who meet certain conditions, primarily one year of full-time service, are eligible to participate. AAFSC is not required to make employer contributions under the plan agreement. AAFSC made a voluntary 5% contribution for qualified employees. A total employer contribution of \$78,756 and \$53,050 was recorded for the years ended June 30, 2022 and 2021.

NOTE 7—CONDITIONAL GRANTS

AAFSC has several grants that are conditioned upon AAFSC incurring qualifying expenses under the grant programs. At June 30, 2022 and 2021, these conditional grants total approximately \$7,500,000 and \$16,575,000. These conditional grants will be recognized as revenues when the respective conditions are met in future years.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 8—LIQUIDITY AND AVAILABILITY

The following represents AAFSC’s financial assets as of the dates of the statements of financial position, reduced by amounts not available for general expenditures within one year because of contractual or donor-imposed restrictions.

	2022	2021
Cash	\$ 467,711	\$ 1,846,407
Grants receivable	4,718,631	2,719,222
Unconditional promises to give	377,577	481,644
Financial assets at year-end	5,563,919	5,047,273
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Restricted by donor with time and purpose restrictions	(509,485)	(424,471)
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,054,434	\$ 4,622,802

As part of AAFSC’s liquidity management, it has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations that come due.

NOTE 9—IN-KIND DONATIONS

In-kind donations for the years ended June 30, 2022 and 2021, included in the financial statements, were as follows:

	2022	2021
Professional services	\$ 134,321	\$ 9,846
Clothing and apparel	341,020	-
Total	\$ 475,341	\$ 9,846

For the years ended June 30, 2022 and 2021, AAFSC recognized donated services within revenue, including services from accounting and legal professionals. Unless otherwise noted, donated services did not have donor-imposed restrictions.

AAFSC also recognized contributed clothing and apparel. Unless otherwise noted, donated clothing and apparel did not have donor-imposed restrictions.

Contributed clothing and apparel are valued at their estimated fair value on the basis of estimates of wholesale values obtained from third-party sources. Professional services are valued at their estimated fair value on the basis of similar services provided in the geographic area.

THE ARAB-AMERICAN FAMILY SUPPORT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 10—ECONOMIC DEPENDENCY

AAFSC received approximately 55% and 70% of its revenue from the New York City ACS for the years ended June 30, 2022 and 2021. AAFSC's is primarily funded under a prevention services agreement from the City of New York's ACS. The master operating agreement provides funding commitment for the five-year period July 1, 2020, through June 30, 2025.

NOTE 11—CONTINGENCIES

Some government and foundation grants are subject to financial and compliance audits by the grantor. Disallowances, if any, as a result of these audits may become liabilities of AAFSC. Management believes that no material disallowance will result from audits by grantors.

NOTE 12—PAYCHECK PROTECTION PROGRAM

On April 10, 2020, AAFSC received a \$807,445 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loan accrues interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by AAFSC during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over five years. On October 29, 2021, the SBA preliminarily approved forgiveness of the loan.

AAFSC must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review AAFSC's good faith certification concerning the necessity of its loan request, whether the organization calculated the loan amount correctly, whether AAFSC used loan proceeds for the allowable uses specified in the CARES Act, and whether the AAFSC is entitled to loan forgiveness in the amount claimed on its application. If SBA determines AAFSC was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of funds.