ACH Child and Family Services

Consolidated Financial Statements
and Supplementary Information
and Single Audit Reports and Schedules

December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
ACH Child and Family Services
Fort Worth, Texas

Opinion

We have audited the accompanying consolidated financial statements of ACH Child and Family Services (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ACH Child and Family Services as of December 31, 2022, 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.

Basis for Opinion

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. 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 ACH Child and Family Services 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 described in Note 2 to the financial statements, the Organization has adopted ASU 2016-02, *Leases* (Topic 842). Our opinion is not modified with respect to that matter.

Correction of Error

As discussed in Note 3 to the consolidated financial statements, the Organization discovered an error in 2022 regarding the net asset classification of its beneficial interest in trust assets. Accordingly, net assets without donor restrictions and net assets with donor restrictions as of December 31, 2021 have been restated to correct the error. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ACH Child and Family Services's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 generally accepted auditing standards and *Government Auditing Standards* 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, including omissions, 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 ACH Child and Family Services'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ACH Child and Family Services'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *Uniform Grant Management Standards* of the *State of Texas Single Audit Circular*, respectively, are 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 September 1, 2023, 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, and 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 the effectiveness of the Organization's 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.

Armanino LLP

Armanino LLP
Dallas, Texas

September 1, 2023

ACH Child and Family Services
Consolidated Statement of Financial Position
December 31, 2022

ASSETS

Cash and cash equivalents	$ 4,166,604
Grants and program receivables, net	16,803,565
Promises to give, net	701,077
Prepaid and other current assets	715,131
Investments	93,375,602
Mineral interests, net	15,726,711
Beneficial interest in trust assets	10,588,053
Notes receivable	15,613,540
Right of use assets - operating leases	1,489,511
Property and equipment, net	31,849,046
Total assets	$ 191,028,840

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	$ 5,973,738
Accrued expenses	2,628,021
Line of credit	14,284,504
Notes payable, net	21,424,591
Operating lease liability	1,525,082
Total liabilities	45,835,936
Net assets	
Without donor restrictions	132,568,876
With donor restrictions	12,624,028
Total net assets	145,192,904
Total liabilities and net assets	$ 191,028,840

The accompanying notes are an integral part of these consolidated financial statements.

ACH Child and Family Services
Consolidated Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support, government funding, revenues and investment returns			
Public support			
Contributions	$ 1,179,159	$ 3,431,386	$ 4,610,545
Capital campaign contributions	-	1,040,122	1,040,122
Estates and trusts	-	125,000	125,000
Fundraising events	414,573	-	414,573
Less: direct benefit to donors	(70,313)	-	(70,313)
Total public support	1,523,419	4,596,508	6,119,927
Government funding, revenues and investment returns			
Program service fees	97,683,534	-	97,683,534
Government funding	1,079,445	-	1,079,445
Rental and other income	789,951	-	789,951
Interest income	318,091	528,751	846,842
Mineral income, net	16,742,864	-	16,742,864
Investment loss, net	(14,831,684)	37,500	(14,794,184)
Loss on disposal of assets	(35,913)	-	(35,913)
Change in beneficial interest in trust assets	-	(3,052,428)	(3,052,428)
Net assets released from restriction	4,666,182	(4,666,182)	-
Total government funding, revenues and investment returns	106,412,470	(7,152,359)	99,260,111
Total public support, government funding, revenues, and investment returns	107,935,889	(2,555,851)	105,380,038
Functional expenses			
Program services	102,606,724	-	102,606,724
Support services			
General and administrative	13,489,491	-	13,489,491
Fundraising	1,464,938	-	1,464,938
Total support services	14,954,429	-	14,954,429
Total functional expenses	117,561,153	-	117,561,153
Change in net assets	(9,625,264)	(2,555,851)	(12,181,115)
Net assets, beginning of year, as previously stated	155,758,081	1,615,938	157,374,019
Restatement (see Note 3)	(13,640,481)	13,640,481	-
Net assets, beginning of year, as restated	142,194,140	15,179,879	157,374,019
Net assets, end of year	$ 132,568,876	$ 12,624,028	$ 145,192,904

ACH Child and Family Services
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services							Support Services			
	Foster Care/ Adoption/ Kinship Connections	Transitions	Youth Emergency Shelter	Youth and Family Services	Residential Care	OCOK Intake Care Coordination, and Permanency	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total
Our Community Our Kids provider payments	$ -	$ -	$ -	$ -	$ -	$ 56,285,184	$ 56,285,184	$ -	$ -	$ -	$ 56,285,184
Salaries, taxes, and benefits	2,392,357	742,368	1,120,428	1,929,188	4,081,465	22,457,214	32,723,020	9,357,904	1,071,971	10,429,875	43,152,895
Occupancy and maintenance	124,532	156,642	84,464	237,197	410,781	2,358,312	3,371,928	629,618	49,239	678,857	4,050,785
Transportation	72,085	19,224	11,627	10,850	58,130	2,635,176	2,807,092	120,392	2,103	122,495	2,929,587
Insurance and taxes	32,810	49,010	22,707	25,320	91,517	124,122	345,486	179,904	16,847	196,751	542,237
Medical expenses	-	673	1,699	74	5,901	4,984	13,331	243	-	243	13,574
Food, clothing, and supplies	58,851	92,585	134,075	84,156	421,031	423,092	1,213,790	182,562	10,989	193,551	1,407,341
Youth activities	245	5,822	6,656	-	28,659	19,322	60,704	4,764	1,378	6,142	66,846
Education	-	-	-	-	6,978	322	7,300	-	-	-	7,300
Family assistance	131,531	10,773	-	42,288	107	91,058	275,757	3,425	-	3,425	279,182
Foster care expenses	1,198,010	-	-	-	-	-	1,198,010	-	-	-	1,198,010
Other programs and training expenses	-	490,211	-	-	-	-	490,211	-	-	-	490,211
Development and promotion	-	-	-	-	-	125	125	7,501	22,792	30,293	30,418
Outreach and awareness	2,328	9,550	226	15,821	698	3,113	31,736	198,207	140,169	338,376	370,112
Contract services	79,318	38,557	41,021	92,446	126,745	1,384,923	1,763,010	1,107,931	49,202	1,157,133	2,920,143
Audit and legal services	252	252	252	252	252	12,028	13,288	234,830	968	235,798	249,086
Staff development and travel	72,957	10,939	13,158	24,407	60,461	53,074	234,996	150,409	9,237	159,646	394,642
Board development	-	-	-	-	-	-	-	1,723	-	1,723	1,723
Depreciation	219,136	160,976	160,233	203,756	420,248	-	1,164,349	660,150	88,764	748,914	1,913,263
Interest expense	-	-	-	-	-	-	-	601,424	-	601,424	601,424
Miscellaneous	-	9,990	-	38,815	41,813	516,789	607,407	48,504	1,279	49,783	657,190
	$ 4,384,412	$ 1,797,572	$ 1,596,546	$ 2,704,570	$ 5,754,786	$ 86,368,838	$102,606,724	$ 13,489,491	$ 1,464,938	$ 14,954,429	$ 117,561,153

ACH Child and Family Services
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2022

Cash flows from operating activities	
Change in net assets	$ (12,181,115)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,913,263
Net realized and unrealized losses on investment	14,794,184
Change in value of beneficial interest in trust asset	3,052,428
Bad debt expense	268,232
Amortization of loan fees	158,629
Amortization of operating lease right of use asset	9,707
Loss on disposals of property and equipment	35,913
Contributions restricted for long-term purposes	(630,036)
Changes in operating assets and liabilities	
Grants and program receivables, net	3,355,566
Promises to give, net	(106,345)
Prepaid and other current assets	40,815
Accounts payable	(846,382)
Accrued expenses	(2,057,483)
Operating lease liability	25,864
Net cash provided by operating activities	7,833,240
Cash flows from investing activities	
Purchases of investments	(36,615,466)
Proceeds from sales of investments	30,172,634
Purchases of property and equipment	(667,405)
Net cash used in investing activities	(7,110,237)
Cash flows from financing activities	
Contributions received restricted for investments in property and equipment	630,036
Borrowings on line of credit	39,016,088
Payments on line of credit	(39,500,000)
Net cash provided by financing activities	146,124
Net increase in cash and cash equivalents	869,127
Cash and cash equivalents, beginning of year	3,297,477
Cash and cash equivalents, end of year	$ 4,166,604

Supplemental disclosures of cash flow information

Cash paid during the year for	
Interest	$ 601,424

Supplemental schedule of noncash investing and financing activities

Right of use asset obtained in exchange for lease liability	$ 1,499,218

1. NATURE OF OPERATIONS

ACH Child and Family Services ("ACH") is a Texas nonprofit corporation, established in 1915, and dedicated to the prevention, intervention, and treatment of child abuse, neglect, and family separation. With over a century of experience, ACH brings needed resources and skills to children and families struggling with life's challenges. Some programs keep children and families together while others provide a healing home for children who cannot live with their families. Services offered include crisis intervention, family counseling, and skill-building, traditional foster care, treatment foster care for children with therapeutic needs, kinship support for families caring for related children adoption, transitional housing for families who have experiences domestic violence, supervised independent living services for young adults who are homeless or who are aging out of foster care, and residential group care including intensive residential treatment. ACH also manages the community-based care network of foster care providers in a seven-county region of North Texas through a division called Our Community Our Kids ("OCOK"). The vision of ACH is to be a leading agency in the community so families thrive and children experience safety, hope, and love.

Principles of Consolidation

The consolidated financial statements include the accounts of ACH and the below four nonprofits of which ACH is the sole member.

The All Church Home for Children Foundation ("the Foundation") is a Texas nonprofit corporation organized to hold, manage, solicit, receive, administer, and invest assets for the exclusive use, benefit, and support of ACH in a manner that is responsive to the needs and demands of ACH.

ACH Landowner is a Texas nonprofit corporation organized to support its sole member, ACH, by providing financial and other resources to assist ACH in achieving the fulfillment of its mission. Specifically, ACH Landowner will hold, develop, and lease certain real property to ACH to be used for administration and programs.

ACH Landowner II is a Texas nonprofit corporation organized to support its sole member, ACH, by providing financial and other resources to assist ACH in achieving the fulfillment of its mission. Specifically, ACH Landowner II will hold, develop, and lease certain real property to ACH to be used for administration and programs.

ACH Landowner III is a Texas nonprofit corporation organized to support its sole member, ACH, by providing financial and other resources to assist ACH in achieving the fulfillment of its mission. Specifically, ACH Landowner III will hold, develop, and lease certain real property to ACH to be used for administration and programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). As such, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The fund groups are reported in the two classes of net assets 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 and board-designated endowment.
- *Net assets with donor restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as donor restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as "Net Assets Released from Restrictions."

Consolidated financial statements

The accompanying consolidated financial statements include the accounts of ACH Child and Family Services, All Church Home for Children Foundation, ACH Landowner, ACH Landowner II, and ACH Landowner III (collectively, the "Organization") since they are financially interrelated organizations. All intercompany transactions and balances have been eliminated in the accompanying consolidated financial statements.

Cash and cash equivalents

The Organization considers only cash in banks and cash on hand as cash and cash equivalents. These cash equivalents are financial instruments that potentially subject the Organization to concentrations of credit risk. The Organization places its cash with high credit-quality financial institutions and periodically maintains deposits in amounts that exceed FDIC insurance coverage. Management believes the risk of incurring material losses related to this credit risk is remote.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and fair value measurements

Investments represent a diversified portfolio of public and private domestic and international equity securities, fixed income securities, alternative investments in marketable hedge funds, and mineral interests. Investments are reported at fair value. The values of publicly-traded fixed income and equity securities are based on quoted market prices. Fair value for shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. The fair value of the mineral interests is equal to the lower of cost or estimated fair value of accumulated cost recovery. Nonmarketable securities, which include investments in hedge funds, are valued using net asset value ("NAV"), or its equivalent, provided by fund managers as a practical expedient to estimate fair value, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. These non-marketable investments often require the estimation of fair values by the fund managers in the absence of readily determinable market values. As of December 31, 2022, the Organization had no specific plans or intentions to sell investments at amounts different than NAV. Because of the inherent uncertainty of valuing these investments, the Organization's estimate for fair value may differ significantly from the values that would have been used had a ready market for the investments existed.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels of inputs:

- *Level 1* - Quoted market prices in active markets for identical assets or liabilities.
- *Level 2* - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.
- *Level 3* - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The investments reported at NAV as practical expedient are not required to be categorized in the fair value hierarchy.

Dividend and interest income are accrued when earned. Net realized and unrealized gains (losses) are included in investment income (loss) on the consolidated statement of activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral interests

The Organization's investments in mineral interests were acquired primarily by contribution and recorded at the estimated fair market value at the date of receipt. Management evaluates for impairment each year and recognizes a loss when the estimated fair value is below carrying value. For the year ended December 31, 2022, management believes there was no indicator that the investments in mineral interests are impaired.

Grants, program service Fees, and accounts receivable

The Organization's receivables consist principally of program service fees and grants from governmental agencies. The Organization utilizes the allowance method for the recognition of bad debts. Based on management's assessment of the credit history of grantors, an allowance for doubtful accounts of $173,687 was deemed necessary as of December 31, 2022. Bad debt expense was $268,232 for the year ended December 31, 2022. All grants and accounts receivable are expected to be received by December 2023.

The Organization's program service fee revenue is recognized as follows for each individual stream of revenue:

State Contracts - Revenue from contracts with the various agencies of the State of Texas for programs provided by the Organization such as adoption placements, monitoring the care of children places, and providing counseling, skills training, as well as case management to children and young adult clients. Depending on the type of service, revenue is recognized by service date or date at which child placement was finalized.

OCOK Daily Rate and Exceptional Care Rate - The organization is paid either a blended daily rate or an exceptional care rate by the Texas Department of Family and Protective Services on a per child, per day basis. The Organization will then pass these funds through to providers for the care of foster children. Revenue is recognized by service date of foster care.

OCOK Purchased Family Services - The Organization pays sub-contractors for services performed to biological parents. In addition, they also provide funds to families for concrete support. This revenue is paid on a reimbursement basis and is recognized as allowable costs are incurred.

OCOK Adoption - The Organization is paid a per-adoption flat rate based on the date the adoption takes place. The Organization will then pass these funds through to providers for the management and facilitation of the adoption. Revenue is recognized by adoption date of foster care.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants, program service Fees, and accounts receivable (continued)

OCOK Network Support - Services provided include engaging the community to develop needed services and placement options for foster children, engaging with the courts and other stakeholders to improve the care for foster children in region 3B, and maintaining the technology and data capacity to track outcomes and provide compliance reporting. Revenue from these services is recognized each month as performance barriers are met.

OCOK Resource Transfer - Services provided include taking responsibility for foster children from region 3B, finding and maintaining placements for the children in this region, providing case management for children in care which includes working with their biological parents and the courts. Revenue is earned based on a monthly administrative fee as well as data measures tracked by the Organization. Revenue is recognized each month as these performance barriers are met.

OCOK Rate Reconciliation Revenue - Revenue consists of TDFPS contracted funds to reconcile the blended daily rate paid for each day of care per child with the actual costs of care. Revenue is recognized by service data similar to Daily Rate and Exceptional Care Rate revenue.

OCOK Exceptional Care Deficit Share Revenue - Revenue consists of a 50/50 share of the surplus or deficit between the Exceptional Care Rate paid and the cost of exceptional care provider payments. Revenue is recognized by service date similar to Daily Rate and Exceptional Care Rate revenue.

OCOK Capacity Building Project Funds - The Organization has cost reimbursement funding from the legislature that must be used towards building foster care capacity. Revenue is recognized as allowable costs are incurred for services the Organization spends funds on throughout the year as it relates to foster care capacity.

Contributions received and promises to give

The Organization recognizes contributions when they are received or unconditionally promised and records these amounts as net assets without donor restrictions or net assets with donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. Promises to give at December 31, 2022 are expected to be received through 2026.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants. Amounts received are recognized as earned and are reported as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received but not yet earned are reported as a refundable advance in the consolidated statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions received and promises to give (continued)

Conditional promises to give are not included as revenue or contributions receivable until such time as the barriers and right of release/return have been overcome. The Organization occasionally receives conditional promises to give which depend on the occurrence of future events that will bind the donor to pay on a particular date. Due to the uncertainty of the occurrence of the events, the contributions will not be recorded until the conditions are substantially met. As of December 31, 2022, $9,462,157 of conditional contributions had not yet been recognized as certain barriers had not been overcome.

Property and equipment

Expenditures for property and equipment are stated at cost or, if donated, at their estimated fair value at the date of donation. The Organization capitalizes property and equipment with a cost greater than $5,000 and a useful life greater than one year. Donations of significant property and equipment are recorded as support at their estimated fair value. Such donations are reported as net assets without donor restrictions support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts. Resulting gains or losses are included in income.

Depreciation of property and equipment is computed on the straight line basis over their estimated useful lives. Depreciation expense for the year ended December 31, 2022 amounted to $1,913,263.

Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 - 20 years
Furniture and fixtures	3 - 5 years
Automobiles	4 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value, less cost to sell. Management is of the opinion that the carrying amount of its long-lived assets does not exceed their estimated recoverable amount at December 31, 2022.

Deferred financing costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt. Such costs are being amortized over the term of the respective debt using the straight-line method, a method which approximates the effective interest rate method. At December 31, 2022, deferred financing costs were $1,110,399. At December 31, 2022, accumulated amortization of deferred financing costs was $754,990. Amortization expense related to the deferred financing costs was $158,629 for the year ended December 31, 2022, and was recorded to interest expense in the consolidated statements of functional expenses.

Donated goods and services

From time to time, the Organization will receive donated goods, property, or other assets. These assets are recorded in the consolidated statement of financial position at their estimated fair value at the time of the gift. Revenue from such gifts is recognized as contributions in the consolidated statement of activities for the value of the asset. There were no material gifts of property and equipment received during the year ended December 31, 2022.

No amounts have been reflected in the consolidated financial statements for donated services since the services did not meet the criteria for recognition. However, a number of volunteers donate significant amounts of their time to the Organization.

Concentration of credit risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of receivables from program services and amounts deposited in banks in excess of the Federal Deposit Insurance Corporation's insured limit.

Approximately 93% of total program receivables is due from one government agency as of December 31, 2022.

Two donor commitments comprised 82% of the total balance of promises to give as of December 31, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of credit risk (continued)

One donor provided 33% of total contribution revenue for the year ended December 31, 2022.

The Organization currently invests in a variety of fixed income, equities, open and closed-end mutual funds and investment holding companies. Management believes diversity within the portfolio avoids significant concentration of credit risk with respect to these investments.

Functional expenses

The consolidated financial statements report certain categories that are attributable to one or more program or supporting functions of the Organization. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, amortization, salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated based on full time employee equivalents or square footage of shared space.

Income taxes

The Organization has been recognized by the Internal Revenue Service as a nonprofit corporation exempt from federal income tax on its income, under Section 501(c)(3) of the Internal Revenue Code. The Organization does not believe there are any material uncertain tax positions and accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended December 31, 2022, there were no interest or penalties recorded or included in the consolidated financial statements. The Organization is relying on its tax-exempt status and its adherence to all applicable laws and regulations to preserve that status. However, the conclusions regarding accounting for uncertainty in income taxes will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations, and interpretations thereof.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses, useful lives of property and equipment, the fair value of investments, and the valuation allowance for contributions receivable. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases* ("Topic 842") to increase transparency and comparability among organizations by requiring the recognition of right of use assets and lease liabilities on the statements of financial position. The Organization implemented this standard effective January 1, 2022 and recognized and measured leases existing at, or entered into after, January 1, 2022 through a cumulative effect adjustment, with certain practical expedients available.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on January 1, 2022, a right of use asset of $1,499,218 and an operating lease liability of $1,525,082 discounted using the risk free rate of 4.5%. The standard did not have a material impact on the presentation of the Organization's consolidated financial statements.

3. CORRECTION OF ERROR

In previous years, the Organization received a beneficial interest in trust assets (Note 8) and recorded their interests as net assets without donor restrictions. During 2022, the Organization determined that the trust assets were time restricted and therefore should be classified as net assets with donor restrictions. Accordingly, the Organization restated beginning net assets as of December 31, 2021. The effect of the correction was to decrease beginning net assets without donor restrictions and increase net assets with donor restrictions for the year ended December 31, 2021 by $13,640,481. This correction of error had no impact on the change of net assets for the year ended December 31, 2021.

4. LIQUIDITY AND AVAILABILITY

The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. In addition, the Organization received support without donor restrictions. The income without donor restrictions, revenue from certain trusts, program revenue, unrelated business income, and distributions from the Foundation are used to fund operations. The Organization considers these sources to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and program operations. Annual operations are defined as activities occurring during the Organization's fiscal year.

The Organization has access to a line of credit which is used to bridge cash flow needs in order to reduce or eliminate the need to liquidate invested assets.

The Foundation receives board-designated endowment gifts as well as restricted donor gifts that will exist in perpetuity. The investment and mineral income generated by the endowment assets supports the distributions to ACH for operations, as noted above. See Notes 8 and 15 for spending policy of beneficial interest in trust and endowment funds, respectively.

4. LIQUIDITY AND AVAILABILITY (continued)

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term commitments and obligations will continue to be met, ensuring the sustainability of all the related entities.

The table below presents financial assets available for general operating expenditures within one year at December 31:

Financial assets:	
Cash and cash equivalents	$ 4,166,604
Grants and program receivables, net	16,803,565
Promises to give, net	701,077
Investments	93,375,602
Mineral interests, net	15,726,711
Beneficial interest in trust assets	10,588,053
	141,361,612
Less amounts unavailable for general expenditure within one year:	
Restrictions for time and purpose longer than one year	(1,087,108)
Restrictions perpetual in nature	(948,867)
Time restricted beneficial interest in trust assets	(10,588,053)
	(12,624,028)
Less amounts unavailable to management without Board's approval	
Board-designated endowment - operating	(109,094,056)
	(109,094,056)
	$ 19,643,528

5. RESTRICTED CASH

Restricted cash consists of funds held in trust for various purposes, including transactional and management fees, capital improvements, and certain programmatic startup costs. The cash balances held in trust was $256,025 as of December 31, 2022. All of these funds were held by JP Morgan Chase for the year ended December 31, 2022 in accordance with certain debt instruments reflected in Notes 12 and 13 to the consolidated financial statements.

6. PROMISES TO GIVE

The Organization recognizes unconditional promises to give as support in the period the promise to give is made and reports them as contributions in the consolidated statement of activities. Contributions that are expected to be collected in future years are recorded at the net present value of the amount expected to be collected. At December 31, 2022, all promises to give are considered fully collectible and no allowance for doubtful accounts has been estimated. Bad debt expense is reflected in the consolidated statement of functional expenses in miscellaneous expense and is reflected separately in the consolidated statement of cash flows.

At December 31, 2022, promises to give are expected to be received as follows:

Year ending December 31,	
2023	$ 402,200
2024	125,000
2025	100,000
2026	100,000
	727,200
Less: Present Value Discount	(26,123)
	$ 701,077

7. INVESTMENTS AND FAIR VALUE DISCLOSURES

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	Fair Value
Investments				
Cash held for investments	$ 4,840,496	$ -	$ -	$ 4,840,496
Fixed income	5,044,617	9,280,437	-	14,325,054
US equity	27,065,833	-	-	27,065,833
Global equity	15,978,075	-	-	15,978,075
Marketable Hedge Funds	626,541	-	-	626,541
	53,555,562	9,280,437	-	62,835,999
Investments measured at net asset value	-	-	-	30,539,603
	53,555,562	9,280,437	-	93,375,602
Beneficial interest in trust	-	-	10,588,053	10,588,053
Mineral interests	-	-	15,726,711	15,726,711
	$ 53,555,562	$ 9,280,437	$ 26,314,764	$ 119,690,366

Nonpublicly Traded Securities

7. INVESTMENTS AND FAIR VALUE DISCLOSURES (continued)

Investments in nonpublicly traded investment holding company entities are carried at fair value which is based on the net asset value calculated as a practical expedient from an independent audit of the entities and their underlying investment securities. Following are these nonpublicly traded investments as of:

Hedge fund title	Description	Fair value
Makena Perpetual	(a)	$ 4,821,880
HPC Millennium Int'l Ltd.	(b)	4,717,011
Pointer Offshore Ltd.	(c)	3,947,644
Cascade	(d)	3,753,968
Third Point Offshore Fund	(e)	2,836,364
MS Hamilton Lane	(f)	2,652,165
The Weatherlow Offshore Fund	(g)	2,341,252
Goldman Sachs Vintage VIII	(h)	1,901,520
Blackstone Tactical Opportunities Fund III	(i)	1,725,438
Oak Street Real Estate	(j)	1,499,770
Blackstone Tactical Opportunities Fund	(k)	224,877
General Atlantic PE	(l)	57,437
Canyon Value Realization Fund	(m)	39,829
Golden Tree Offshore Fund, Ltd.	(n)	20,448
		$ 30,539,603

7. INVESTMENTS AND FAIR VALUE DISCLOSURES (continued)

The Organization's alternative investment portfolio consists of the following type of funds:

(a) Unfunded capital commitments totaled $1,500,000 for 2022.

(b) Quarterly withdrawals with 95-day notice. Withdrawals are limited to 25% of partners' capital.

(c) It has a 24-month initial lockup (purchased during 2012) and semi-annual liquidity of up to 50% capital with written notice by March 15 and September 15.

(d) Quarterly withdrawals with 95-day notice.

(e) The lock up restriction has expired and quarterly liquidity with a 65-day notice.

(f) Subject to certain lock-up and liquidity restrictions greater than 65 days. Unfunded capital commitment is $682,946 for 2022. It has a 12-month initial lockup (purchased during 2017) and quarterly liquidity with 90-day notice.

(g) These funds have no lock-up restrictions, nor any liquidity restrictions greater than 65 days, if any.

(h) Unfunded capital commitments totaled $999,043 for 2022.

(i) Unfunded capital commitments totaled $827,015 for 2022. Quarterly liquidity with 90-day notice.

(j) Unfunded capital commitments totaled $473,600 for 2022.

(k) Unfunded capital commitments totaled $266,239 for 2022. Quarterly liquidity with 90-day notice.

(l) Unfunded capital commitment totaled $1,940,000 for 2022.

(m) Quarterly withdrawals with notice being required to be given by the 20th calendar day of the first month of the applicable fiscal quarter. Withdrawals are limited to 25% of partners' capital.

(n) It has a 12-month initial lockup (purchased during 2012) and quarterly liquidity with a 90-day notice.

7. INVESTMENTS AND FAIR VALUE DISCLOSURES (continued)

The following schedule summarizes the investment return (loss), on all investments, for the year ended December 31, 2022:

Dividends and interest	$ 2,084,456
Less: Investment advisory and bank fees	(1,237,614)
	846,842
Net realized gains on investment securities	1,788,535
Net unrealized losses on investment securities	(16,582,719)
	(14,794,184)
	$ (13,947,342)

8. BENEFICIAL INTEREST IN TRUST ASSETS, AND MINERAL RIGHTS

The Organization has a beneficial interest in the Stonestreet Trust (Trust). The Organization also holds investments in mineral interests which were acquired primarily by contribution and recorded at the estimated fair market value at the date of receipt. Management evaluates for impairment each year and recognizes a loss when the estimated fair value is below carrying value.

The Organization's net share of investment in the Trust and the net investment in mineral interests are considered Level 3 investments as a whole.

A reconciliation of the change in the fair values of Level 3 investments is as follows:

The following table sets forth a summary of changes in the fair value of Level 3 investments for the year ended December 31, 2022:

	Beneficial Interest in Trust	Mineral Interests	Total
Balance, beginning of year	$ 13,640,481	$ 15,726,711	$ 29,367,192
Change in value	(3,052,428)	-	(3,052,428)
Balance, end of year	$ 10,588,053	$ 15,726,711	$ 26,314,764

9. NOTES RECEIVABLE

During 2017, the Organization closed on a new market tax credit arrangement resulting in a note receivable from Chase NMTC ACH Investment Fund in the amount of $9,771,940 with interest payable annually at 1%. Interest payments of the note began in December 2017. Principal and interest payments are to commence in December 2025 with final payment due December 2044. As part of the arrangement, the notes may be paid off early at a set time in the arrangement, wherein a significant portion of the debt may be forgiven through the utilization of the new market tax credits. The note is unsecured. This note receivable originated with the issuance of certain debt instruments reflected in Note 12 to the consolidated financial statements. However, there is not a right of offset with these debt instruments.

During 2019, the Organization closed on a new market tax credit arrangement resulting in a note receivable from Chase NMTC the Organization Investment Fund in the amount of $5,841,600 with interest payable annually of 1%. Interest payments of the note began in December 2019. Principal and interest payments are to commence in December 2027 with the final payment due December 2056. As part of the arrangement, the notes may be paid off early at a set time in the arrangement, wherein a significant portion of the debt may be forgiven through the utilization of the new market tax credits. The note is unsecured. This note receivable originated with the issuance of certain debt instruments reflected in Note 12 to the consolidated financial statements. However, there is not a right of offset with these debt instruments.

10. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

Land	$ 4,101,000
Buildings and improvements	39,422,838
Furniture and fixtures	2,815,906
Automobiles	894,906
Construction in Progress	425,967
	47,660,617
Less: Accumulated depreciation	(15,811,571)
	$ 31,849,046

11. LINE OF CREDIT

The Organization maintains a line of credit with a financial institution which has a maximum amount of $30,000,000 and an open-ended maturity. Interest is payable monthly at the one-month LIBOR plus 0.75% per annum. The average LIBOR rate for 2022 was 1.46%. The line of credit is currently secured by 14 of the Organization's sub-investment accounts with a fair value at December 31, 2022 of $54,630,778 (the financial institution calculates a borrowing base of 70% to 100% on this amount based upon the type of underlying investments). There was $14,284,504 outstanding on the line of credit as of December 31, 2022.

12. NEW MARKET TAX CREDIT ARRANGEMENTS

The Organization entered into new market tax credit transactions during the year ended December 31, 2017 and created a new entity, Landowner II, as a result. The NMTC program was designed to make investment capital available to businesses in qualifying low-income communities to create jobs and spur additional economic development. Privately managed investment institutions, or Community Development Entities (CDEs), make loans and capital investments in businesses in underserved areas.

The Organization entered into new market tax credit transactions during the year ended December 31, 2019. A new entity, Landowner III, was created in 2018 in anticipation of this arrangement. The NMTC program was designed to make investment capital available to businesses in qualifying low-income communities to create jobs and spur additional economic development. Privately managed investment institutions, or Community Development Entities (CDEs), make loans and capital investments in businesses in underserved areas.

Further detail of the transactions is described in Notes 9 and 13.

13. NOTES PAYABLE

ACH and an unrelated third-party lender entered into a new market tax credit transaction, wherein ACH loaned $9,771,940 and the third-party lender loaned $4,818,060 to Chase NMTC ACH Investment Fund LLC during the year ended December 31, 2017. Chase NMTC then lent the funds to two different CDEs (CNMC Sub-CDE LLC and Business Loan Conduit No. 27 LLC), who separately loaned funds to ACH's subsidiary, Landowner II, in the amount of $13,940,000. This was accomplished through four different QLICI loans as noted below. The loans have subjected ACH and Landowner II to certain restrictive covenants. Management believes they are in compliance with all covenants.

After the seven-year NMTC period expires, it is anticipated that the CDEs will liquidate and distribute their assets to the Chase NMTC ACH Investment Fund LLC. It is also anticipated that ACH will acquire the interests in the Chase NMTC ACH Investment Fund LLC, and that the investment fund will be liquidated. After the exit transactions are completed, ACH will be the holder of a portion of the NMTC Loan, and such loan will be eliminated for reporting purposed because such loan will be owed by the subsidiary to ACH.

ACH and an unrelated third-party lender entered into a second new market tax credit transaction, wherein ACH loaned $5,841,600 and the third-party lender loaned $2,558.400, net, to Chase NMTC Family Services Investment Fund LLC during the year ended December 31, 2019. Chase NMTC then lent the funds to CDE (PeopleFund NMTC 11, LLC), who separately loaned funds to the ACH's subsidiary, Landowner III in the amount of $7,840,000. This was accomplished through two different QLICI loans as noted below. The loans have subjected ACH and Landowner III to certain restrictive covenants. Management believes they are in compliance with all covenants. Additionally, as part of this arrangement, Landowner III also received a loan from Greenworks Lending, LLC in the amount of $556,496. This amount carried a 7% interest rate and was paid in full by Landowner III during 2019.

13. NOTES PAYABLE (continued)

After the seven-year NMTC period expires, it is anticipated that the CDEs will liquidate and distribute their assets to the Chase NMTC Family Services Investment Fund LLC. It is also anticipated that ACH will acquire the interests in the Chase NMTC Family Services Investment Fund LLC, and that the investment fund will be liquidated. After the exit transactions are completed, ACH will be the holder of a portion of the NMTC Loan, and such loan will be eliminated for reporting purposes because such loan will be owed by the subsidiary to ACH.

The Organization was obligated on the following notes payable as of December 31:

Landowner II	
CNMC Sub-CDE CDE Loan A, interest accrued monthly, paid annually, at 0.705% until December 5, 2025, then principal and interest is due annually until maturity at December 1, 2046.	$ 792,840
CNMC Sub-CDE CDE Loan B, interest accrued monthly, paid annually, at 0.705% until December 5, 2025, then principal and interest is due annually until maturity at December 1, 2046.	407,160
Business Loan Conduit 27, CDE Loan A, interest accrued monthly, paid annually, at 0.705% until December 5, 2025, principal and interest is due annually until maturity at December 1, 2046.	8,979,100
Business Loan Conduit 27, CDE Loan B, interest accrued monthly, paid annually, at 0.705% until December 5, 2025, principal and interest is due annually until maturity at December 1, 2046.	3,760,900
	13,940,000
Landowner III	
PeopleFund NMTC 11 Loan A, interest accrued monthly, paid annually, at 1.007% until December 1, 2027, then principal and interest is due annually until maturity at December 1, 2058.	5,841,600
PeopleFund NMTC 11 Loan B, interest accrued monthly, paid annually, at 1.007% until December 1, 2027, then principal and interest is due annually until maturity at December 1, 2058.	1,998,400
	7,840,000
	21,780,000
Less:	
Deferred Costs	(355,409)
	(355,409)
	$ 21,424,591

13. NOTES PAYABLE (continued)

The future maturities of the notes payable are as follows:

Year ending December 31,		
2025	$	452,081
2026		455,269
2027		592,713
Thereafter		20,279,937
	$	21,780,000

All of the above notes are secured by the deed of trust on certain buildings of the Wichita Campus property.

14. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31:

Subject to passage of time		
Time restricted	$	107,500
Beneficial interest in Stonestreet Trust		10,588,053
		10,695,553
Subject to purpose restrictions:		
Shelter operations		297,952
Mallick windows and boiler		60,500
Shelter furnishings		150,000
OCOK concrete needs		10,000
Kinship navigator - 9 bunk beds		3,500
Capital construction project		420,036
RHRL capital, relocations, furnishings		37,620
		979,608
Perpetual in nature		
Endowment		948,867
		948,867
	$	12,624,028

15. ENDOWMENT

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

15. ENDOWMENT (continued)

As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment in perpetuity, (b) the original value of subsequent gifts to the endowment in perpetuity, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified within net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund.

2) The purpose of the Organization and the donor-restricted endowment fund.

3) General economic conditions.

4) The possible effect of inflation and deflation.

5) The expected total return from income and the appreciation of investments.

6) Other resources of the Organization.

7) The investment policies of the Organization.

Board-Designated Endowments - The board of directors had designated $109,094,056 at December 31, 2022, of net assets without donor restrictions as a general endowment to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

Donor-Designated Endowments - The Organization's endowment consists of three funds totaling $948,867 established to assist in funding residential activities.

Return Objectives and Risk Parameters - The Organization has a spending policy of appropriating for distribution each year 5% of the rolling average of the previous three audited calendar years' investment corpus. In establishing this policy, the Organization considered the long-term expected investment return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its general endowment fund to grow at a net average of 2.5% annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

15. ENDOWMENT (continued)

Strategies Employed for Achieving Objectives - To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5% while growing the fund, if possible.

Accordingly, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 7.5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Changes in endowment net assets for the fiscal year ended December 31, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 117,645,656	$ 948,867	$ 118,594,523
Investment income, net of fees	200,619	-	200,619
Mineral income, net of expenses	16,742,864	-	16,742,864
Net realized and unrealized losses on investments	(14,831,684)	37,500	(14,794,184)
New contributions	25,000	-	25,000
Taxes	(20,999)	-	(20,999)
Amounts appropriated for expenditure	(10,667,400)	(37,500)	(10,704,900)
Endowment net assets, end of year	$ 109,094,056	$ 948,867	$ 110,042,923

From time to time, certain endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). At December 31, 2022, there are no underwater endowments noted.

16. EMPLOYEE BENEFIT PLAN

The Organization sponsors a 401(k) plan for all qualified employees. The Organization matches employee contributions at a rate of $1.00 for each employee dollar up to 3% of the employee's salary and then an additional $0.50 for each employee dollar up to an additional 2% of the employee's salary. Employer contributions to the plan amounted to $769,562 during the year ended December 31, 2022.

17. RELATED PARTY

The Organization received $182,422 in contributions from board members for the year ended December 31, 2022.

18. LEASES

ACH is obligated under certain leases for its rental of office spaces for their services throughout the Dallas - Fort Worth area. Additionally, ACH is liable to both Landowner II and Landowner III under certain leases related to its new market tax credit arrangements described in Note 12. In the event that the new market tax credit arrangements successfully unwind, ACH will have the option to cease intercompany lease payments. Lease expense totaled $117,984 for the year ended December 31, 2022.

The components of lease costs and additional lease information are as follows:

Lease cost	$	117,984
Weighted average remaining lease term		4.66 years
Weighted average discount rate		4.13 %

A summary of future minimum lease payments required under the above lease is as follows:

Year ending December 31,		
2023	$	344,670
2024		350,385
2025		356,214
2026		359,948
2027		263,081
		1,674,298
Less: present value discount		(149,216)
	$	1,525,082

19. COMMITMENTS AND CONTINGENCIES

From time to time, the Organization may be involved in claims and legal actions arising in the ordinary course of business. ACH has been named as a defendant in pending litigation. This lawsuit is in the middle of the litigation process and the estimated exposure is $6,000,000, with available insurance coverage of $6,000,000. The Organization believes it was not negligent in the case and is actively defending itself against the allegations.

The Organization has pledged a portion of the board designated investment assets as collateral for the amount outstanding on the line of credit discussed in Note 11. Management does not believe there is any significant risk of default on the line of credit.

20. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 1, 2023 which is the date that consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
ACH Child and Family Services
Fort Worth, Texas

We have audited the consolidated financial statements of ACH Child and Family Services as of and for the year ended December 31, 2022 and our report thereon dated September 1, 2023, which expressed an unmodified opinion on those financial statements, appears on pages 1 - 3. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are 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.

Accounting policies generally accepted in the United States of America (GAAP) require leases to be accounted for in accordance with Accounting Standards Codification 842, *Leases* (ASC 842). ASC 842 requires a lessee to recognize a right-of-use asset and a lease liability for all leases that extend beyond one year. Within the supplementary consolidating information, the Company has not followed ASC 842 for its related party leases that eliminate upon consolidation. The effects of that departure from GAAP on the supplementary consolidating information has not been determined.

In our opinion, except for the effect of the matter noted above, the supplementary consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Armanino LLP

Armanino LLP
Dallas, Texas

September 1, 2023

ACH Child and Family Services
Consolidating Statement of Financial Position
December 31, 2022

ASSETS

	ACH Child and Family Services	All Church Home for Children Foundation	ACH Landowner	ACH Landowner II	ACH Landowner III	Eliminating Entries	Total
Cash and cash equivalents	$ 2,434,120	$ 920,770	$ 37,483	$ 255,125	$ 519,106	$ -	$ 4,166,604
Grants and program receivables, net	16,803,565	-	-	-	-	-	16,803,565
Promises to give, net	701,077	-	-	-	-	-	701,077
Other receivables	41,977	-	-	-	-	(41,977)	-
Prepaid and other current assets	695,291	19,840	-	457,384	-	(457,384)	715,131
Investments	-	93,375,602	-	-	-	-	93,375,602
Deferred rent asset	-	-	-	2,275,723	520,681	(2,796,404)	-
Mineral interests, net	-	15,726,711	-	-	-	-	15,726,711
Beneficial interest in trust assets	10,588,053	-	-	-	-	-	10,588,053
Economic interest in affilites	129,123,872	-	128,392	214,000	-	(129,466,264)	-
Notes receivable	15,613,540	-	-	-	-	-	15,613,540
Right of use assets - operating leases	1,489,511	-	-	-	-	-	1,489,511
Property and equipment, net	5,830,313	-	9,332,237	9,882,074	6,804,422	-	31,849,046
Total assets	$ 183,321,319	$ 110,042,923	$ 9,498,112	$ 13,084,306	$ 7,844,209	$ (132,762,029)	$ 191,028,840

LIABILITIES AND NET ASSETS

	ACH Child and Family Services	All Church Home for Children Foundation	ACH Landowner	ACH Landowner II	ACH Landowner III	Eliminating Entries	Total
Liabilities							
Accounts payable	$ 5,973,738	$ -	$ 376,884	$ 7,485	$ 58,416	$ (442,785)	$ 5,973,738
Accrued expenses	2,598,343	-	-	-	-	29,678	2,628,021
Deferred rent liability	2,826,081	-	-	-	-	(2,826,081)	-
Line of credit	14,284,504	-	-	-	-	-	14,284,504
Notes payable, net	-	-	-	13,816,262	7,608,329	-	21,424,591
Operating lease liability	1,525,082	-	-	-	-	-	1,525,082
Total liabilities	27,207,748	-	376,884	13,823,747	7,666,745	(3,239,188)	45,835,936
Net assets							
Without donor restrictions	143,489,543	109,094,056	9,121,228	(739,441)	177,464	(128,573,974)	132,568,876
With donor restrictions	12,624,028	948,867	-	-	-	(948,867)	12,624,028
Total net assets	156,113,571	110,042,923	9,121,228	(739,441)	177,464	(129,522,841)	145,192,904
Total liabilities and net assets	$ 183,321,319	$ 110,042,923	$ 9,498,112	$ 13,084,306	$ 7,844,209	$ (132,762,029)	$ 191,028,840

ACH Child and Family Services
Consolidating Statement of Activities
For The Year Ended December 31, 2022

	ACH Child and Family Services	All Church Home for Children Foundation	ACH Landowner	ACH Landowner II	ACH Landowner III	Eliminating Entries	Total
Public support, government funding, revenues and investment returns							
Public support							
Contributions	$ 4,585,545	$ 25,000	$ -	$ -	$ -	$ -	$ 4,610,545
Capital campaign contributions	1,040,122	-	-	-	-	-	1,040,122
Estates and trusts	125,000	-	-	-	-	-	125,000
Fundraising events	414,573	-	-	-	-	-	414,573
Less: direct benefit to donors	(70,313)	-	-	-	-	-	(70,313)
Total public support	6,094,927	25,000	-	-	-	-	6,119,927
	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Revenue and investment returns							
Program service fees	97,683,534	-	-	-	-	-	97,683,534
Government funding	1,079,445	-	-	-	-	-	1,079,445
Rental and other income	648,097	-	27,602	628,566	256,004	(770,318)	789,951
Interest income	635,619	210,685	-	480	58	-	846,842
Net income from affiliates	12,468,449	-	-	-	-	(12,468,449)	-
Mineral income, net	-	16,742,864	-	-	-	-	16,742,864
Investment loss, net	67	(14,794,251)	-	-	-	-	(14,794,184)
Loss on disposal of assets	(35,913)	-	-	-	-	-	(35,913)
Change in beneficial interest in trust assets	(3,052,428)	-	-	-	-	-	(3,052,428)
Total revenue and investment returns	109,426,870	2,159,298	27,602	629,046	256,062	(13,238,767)	99,260,111
Total public support, government funding, revenues and investment returns	115,521,797	2,184,298	27,602	629,046	256,062	(13,238,767)	105,380,038
Functional expenses							
Program services	102,569,151	-	290,593	107,411	191,835	(552,266)	102,606,724
Supporting services							
General and administrative	12,651,359	20,999	322,466	429,421	100,817	(35,571)	13,489,491
Fundraising	1,355,809	-	-	109,129	-	-	1,464,938
Total supporting services	14,007,168	20,999	322,466	538,550	100,817	(35,571)	14,954,429
Total functional expenses	116,576,319	20,999	613,059	645,961	292,652	587,837	117,561,153
Changes in net assets	(1,054,522)	2,163,299	(585,457)	(16,915)	(36,590)	(12,650,930)	(12,181,115)
Net assets, beginning of year	157,122,519	118,594,523	9,481,287	(617,798)	214,054	(127,420,566)	157,374,019
Distributions between ACH and Affiliates	45,574	(10,714,899)	225,398	(104,728)	-	10,548,655	-
Net assets, end of year	$ 156,113,571	$ 110,042,923	$ 9,121,228	$ (739,441)	$ 177,464	$ (129,522,841)	$ 145,192,904

SINGLE AUDIT REPORTS AND SCHEDULES

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
ACH Child and Family Services
Fort Worth, Texas

We have audited, in accordance with the 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, the consolidated financial statements of ACH Child and Family Services (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements, and have issued our report thereon dated September 1, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Armanino LLP

Armanino LLP
Dallas, Texas

September 1, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
ACH Child and Family Services
Fort Worth, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited ACH Child and Family Services (the "Organization")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the Organization's major federal and state programs for the year ended December 31, 2022. The Organization's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedules of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Single Audit Circular*. Our responsibilities under those standards and the Uniform Guidance and the *State of Texas Single Audit Circular* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and the *State of Texas Single Audit Circular* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Armanino LLP

Armanino LLP
Dallas, Texas

September 1, 2023

ACH Child and Family Services
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2022

Federal/State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal/State AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Expenditures of Federal Awards				
U.S. Department of Health and Human Services				
Direct awards				
Basic Center Programs for Runaway and Homeless Youth/Shelter	93.623		$ 221,830	$ -
Pass-through program from Texas Department of Family and Protective Services:				
Foster Care Title IV-E	93.658	24118890	12,753,495	12,753,495
Promoting Safe and Stable Families	93.556	24118890	2,326,475	2,326,475
Temporary Assistance for Needy Families (Cluster)	93.558	24118890	17,861,546	17,861,546
Social Services Block Grant	93.667	24118890	58,453	58,453
Guardianship Assistance	93.090	24118890	15,897	15,897
Medical Assistance Program	93.778	24118890	419,373	419,373
Adoption Assistance - Title IV-E	93.659	24118890	249,800	249,800
Chafee Foster Care Independence Program	93.674	24118890	482,857	482,857
Child Welfare Services	93.465		350,000	-
			34,517,896	34,167,896
Total U.S. Department of Health and Human Services			34,739,726	34,167,896
U.S. Department of the Treasury				
Direct awards				
Coronavirus State and Local Fiscal Recovery Funds	21.027		420,037	-
Total U.S. Department of the Treasury			420,037	-
U.S. Department of Housing and Urban Development				
Pass-through program from Tarrant County Community Development Division:				
Emergency Solutions Grants Program	14.231	E21-UC-48-0001	6,004	-
Emergency Solutions Grants Program	14.231	E22-UC-48-0001	7,348	-
Total U.S. Department of Housing and Urban Development			13,352	-
U.S. Department of Justice				
Program Name				
Pass-through program from Texas Office of the Governor:				
Criminal Justice Division (CJD) Victims of Crime Act	16.575	3252204	110,690	-
Criminal Justice Division (CJD) Victims of Crime Act	16.575	3252205	33,073	-
Total U.S. Department of Justice			143,763	-

The accompanying notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

ACH Child and Family Services
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2022

Federal/State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal/State AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security				
Pass-through program from Tarrant County Local Emergency Food and Shelter Program Board:				
Emergency Food and Shelter National Board Program	97.024	ARPA-R	25,000	-
Emergency Food and Shelter National Board Program	97.024	Phase 39	25,000	-
Total U.S. Department of Homeland Security			50,000	-
Total Expenditures of Federal Awards			35,366,878	34,167,896
Expenditures of State Awards				
State Awards				
Pass-through program from Texas Department of Family and Protective Services:				
Single Source Continuum Contract		24118890	61,769,036	21,851,605
Family and Youth Success (FAYS) Program		24555133	1,674,217	-
24 Hour Awake Supervision		24783961	101,294	-
Total Expenditures of State Awards			63,544,547	21,851,605
Total Expenditures of Federal and State Awards			$ 98,911,425	$ 56,019,501

The accompanying notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

ACH Child and Family Services
Notes to Schedule of Expenditures of Federal and State Awards
December 31, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of ACH Child and Family Services (the "Organization") under programs of the federal and state government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Single Audit Circular*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State of Texas Single Audit Circular*, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. SUBRECIPIENTS AND CONTRACTORS

During the year, the Organization operated as the monitoring and administrative agent of a large contract for the Texas Department of Family and Protective Services. Responsibilities under this contract included the monitoring of contracting agencies with which its program places foster children. Of the federal and state expenditures in the attached schedules, $56,019,501 was provided to these contracting foster agencies for the year ended December 31, 2022.

4. STATE AWARDS

State awards received by the Organization during the year consisted of federal pass through funds commingled with state general revenue funds from the state of Texas or state funds only. The Organization did not receive any state awards during the year that consisted of federal pass through funds only.

5. INDIRECT COST RATE

The Organization has elected to use the 10 percent de minimis indirect cost rate on selected contracts as agreed upon with those grantors. For its remaining federal and state contracts, it continues to use the rates negotiated individually with its grantors for that specific contract.

6. NON-CASH ASSISTANCE

The Organization has not received any non-cash assistance, insurance provided by a federal or state agency, or federal or state loans and/or loan guarantees.

ACH Child and Family Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal and State Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and *State of Texas Single Audit Circular*?	No

Identification of major programs:

Name of Federal Program or Cluster	AL Number
Temporary Assistance for Needy Families (TANF)	93.558

Dollar threshold used to distinguish between Type A and Type B programs	$1,061,006

ACH Child and Family Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION I- SUMMARY OF AUDITOR'S RESULTS **(continued)**

Identification of major programs:

Name of State Program or Cluster	Grant Identifying Number
Single Source Continuum Contract	24118890

Dollar threshold used to distinguish between Type A and Type B programs	$300,000
Auditee qualified as low-risk auditee?	Yes

ACH Child and Family Services
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There are no federal and state award findings to be reported.

ACH Child and Family Services
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2022

There were no prior year findings.