SOJOURNER CENTER

FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS

FIFTEEN-MONTH PERIOD ENDED SEPTEMBER 30, 2018

SOJOURNER CENTER
TABLE OF CONTENTS
FIFTEEN-MONTH PERIOD ENDED SEPTEMBER 30, 2018

INDEPENDENT AUDITORS' REPORT

Board of Directors
Sojourner Center
Phoenix, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of Sojourner Center, which comprise the statement of financial position as of September 30, 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the fifteen-month period then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Sojourner Center

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sojourner Center, as of September 30, 2018, and its changes in net assets and its cash flows for the fifteen-month period then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards on page 15, 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* is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 June 27, 2019, on our consideration of the Sojourner Center'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 solely 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 Sojourner Center'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 Sojourner Center's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
June 27, 2019

SOJOURNER CENTER
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2018

ASSETS

Cash and Cash Equivalents	$ 406,380
Accounts Receivable	604,309
Prepaid Expenses and Other Assets	48,017
Property and Equipment, Net	9,088,604
Total Assets	$ 10,147,310

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts Payable and Accrued Expenses	$ 134,894
Related Party Payable to Parent	269,040
Accrued Payroll	115,498
Long-Term Debt	3,049,084
Total Liabilities	3,568,516
NET ASSETS	
Unrestricted	6,041,721
Temporarily Restricted	537,073
Total Net Assets	6,578,794
Total Liabilities and Net Assets	$ 10,147,310

See accompanying Notes to Financial Statements.

SOJOURNER CENTER
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FIFTEEN-MONTH PERIOD ENDED SEPTEMBER 30, 2018

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Government Grants and Contracts	$ 3,093,295	$ -	$ 3,093,295
Contributions, Gifts In-Kind, Donated Services, and Materials	3,426,871	338,100	3,764,971
Other Revenues	106,956	-	106,956
Total	6,627,122	338,100	6,965,222
Net Assets Released from Restriction:			
Satisfaction of Purpose Restrictions	399,517	(399,517)	-
Total Support and Revenue	7,026,639	(61,417)	6,965,222
EXPENSES			
Program Services	5,572,143	-	5,572,143
Fundraising and Development	345,253	-	345,253
Management and General	1,483,544	-	1,483,544
Total Expenses	7,400,940	-	7,400,940
CHANGES IN NET ASSETS	(374,301)	(61,417)	(435,718)
Net Assets - Beginning of Year	6,416,022	598,490	7,014,512
NET ASSETS - END OF YEAR	$ 6,041,721	$ 537,073	$ 6,578,794

See accompanying Notes to Financial Statements.

SOJOURNER CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FIFTEEN-MONTH PERIOD ENDED SEPTEMBER 30, 2018

	Program Services	Fundraising and Development	Management and General	Total
Salaries	$ 2,100,962	$ 238,021	$ 438,473	$ 2,777,456
Payroll Taxes and Benefits	389,358	45,853	140,812	576,023
Total Salaries and Related Expenses	2,490,320	283,874	579,285	3,353,479
Professional Fees	64,779	-	731,486	796,265
Food and Supplies	190,357	288	6,305	196,950
Occupancy Expenses	345,536	6,382	28,758	380,676
Communication and network	49,385	5,385	31,826	86,596
Travel, Meals, and Lodging	20,493	733	7,318	28,544
Events and Newsletters	338	36,543	135	37,016
General Expenses	75,607	12,048	42,143	129,798
In-Kind Expenses	1,957,863	-	9,625	1,967,488
Depreciation	377,465	-	46,663	424,128
Total Functional Expenses	$ 5,572,143	$ 345,253	$ 1,483,544	$ 7,400,940

See accompanying Notes to Financial Statements.

SOJOURNER CENTER
STATEMENT OF CASH FLOWS
FIFTEEN-MONTH PERIOD ENDED SEPTEMBER 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in Net Assets	$ (435,718)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities:	
Depreciation	424,128
Forgiveness of Long-Term Debt	(10,000)
Donated Property and Equipment	(231,000)
Changes in Operating Assets and Liabilities:	
Accounts Receivable	(326,959)
Prepaid Expenses and Other Assets	(46,690)
Accounts Payable and Accrued Expenses	(46,210)
Related Party Payable	269,040
Accrued Payroll	(20,429)
Net Cash Used by Operating Activities	(423,838)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale of Investments	551,721
Purchases of Property and Equipment	(32,755)
Net Cash Provided by Investing Activities	518,966
NET INCREASE IN CASH AND CASH EQUIVALENTS	95,128
Cash and Cash Equivalents - Beginning of Year	311,252
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 406,380

See accompanying Notes to Financial Statements.

NOTE 1 NATURE OF OPERATIONS

Sojourner Center (the Organization) is an Arizona nonprofit corporation with a mission to overcome the impact of domestic violence one life at a time. The Organization was formed in 1977 and has provided safety, shelter, and an array of supportive services to victims of domestic violence for over 35 years. The Organization not only provides emergency shelter, but also offers extensive and comprehensive programs to help victims of domestic violence rebuild and redirect their lives. These programs provide a continuum of services including prevention and intervention, community education, and victim advocacy. The Organization provides food, clothing, and other basic needs for victims and families; licensed childcare; a 24-hour crisis hotline; support to address career, education, and job advancement; legal advocacy; transitional housing; support groups; and domestic violence dynamics education classes for women and children whose lives have been affected by domestic violence.

The Organization receives funds from certain governmental entities that are used to support domestic violence service programs and initiatives, and to pay operating expenses. The revenue from these entities is classified as unrestricted funds and is included in the accompanying statement of activities and changes in net assets as government grants and contracts.

The Organization seeks and obtains grants and contributions from corporations, foundations, and individuals to support service programs and operating expenses for the current year and future years. Donors may provide unrestricted contributions, which are pooled and used to support service programs. Donors may direct their contributions for use in a specific manner or for a particular program. Contributions may also be directed to a permanent endowment for support of future programs and initiatives. All contributions are classified according to donors' designations and are reported in the accompanying statement of activities and changes in net assets as unrestricted, temporarily restricted, or permanently restricted contributions.

On July 28, 2017, the Organization entered into an Affiliation Agreement with Jewish Family & Children's Service, Inc. (JFCS). Under the agreement JFCS became the sole member of the Organization. Sojourner Center maintained its own 501(c)(3) status and operates as an affiliate subsidiary of JFCS.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Asset Classification

The Organization reports information regarding its statements of financial position and activities and changes in net assets according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions are considered unrestricted unless specifically restricted by the donor. Donor restricted contributions where the restrictions are met within the same year as received are reported as unrestricted revenue in the accompanying financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classification (Continued)

Unrestricted

Unrestricted net assets are assets not subject to stipulations imposed by the donor and are currently available for expenditures. Unrestricted net assets include nonrestricted revenue available to fund programs and operating expenses; and board designated endowment amounts approved by the board of directors for long-term investment purposes.

Temporarily Restricted

Temporarily restricted net assets are assets subject to explicit restrictions imposed by the donor for a specific purpose or time period when the restriction is not met within the year of receipt and the restriction is not permanent.

Permanently Restricted

Permanently restricted net assets are assets subject to explicit restrictions imposed by the donor to be maintained in perpetuity by the Organization. As of September 30, 2018, the Organization did not have any permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Standards

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*, which is expected to impact the information presented in financial statements and notes about a nonprofit entity's liquidity, financial performance, and cash flows. The guidance is required to be applied by the Organization for the fiscal year ending September 30, 2019.

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the entity's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance are effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Organization's financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards (Continued)

In May 2014, the FASB issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires the Organization to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the Organization for the year ending September 30, 2020; however, early application is permitted.

The FASB issued ASU No. 2018-08 on June 21, 2018. This update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. This ASU distinguishes between contributions and exchange transactions and assists in determining which guidance to apply. For contributions, the guidance in Subtopic 958-605, *Not-for-Profit Entities–Revenue Recognition*, should be followed. For exchange transactions, Topic 606, *Revenue from Contracts with Customers*, should be followed. To determine which guidance should be followed, grant documents have to be carefully analyzed. The standard will be effective for the Organization for the year ending September 30, 2020; however, early application is permitted.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment, or other long-term purposes of the Organization are excluded from this definition.

Cash equivalents, which consist of highly liquid financial instruments, might potentially expose the Organization to credit risk. Deposits are placed with financial institutions insured by the Federal Deposit Insurance Corporation. The Organization, at times, maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation limits.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are noninterest bearing and consist primarily of amounts due from governmental agencies and accordingly, credit risk is limited. Contracts are stated at the amount management expects to collect. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on the assessment of the current status of individual balances. Balances that are still outstanding after management has used reasonable collection efforts are written-off through a charge to the valuation allowance and reduction to accounts receivable. Management considers the accounts receivable balances at September 30, 2018 to be fully collectible and, accordingly, an allowance for doubtful accounts is not deemed necessary. As of September 30, 2018, substantially all accounts receivable were from agencies related to the state of Arizona or federal government.

Property and Equipment

Purchased property and equipment is valued at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Routine maintenance and repairs are charged to operations when incurred. Generally, property and equipment in excess of $1,000 and having a useful life of more than one year is capitalized. When property and equipment is sold, impaired, or otherwise disposed of, the asset and related accumulated depreciation accounts are reduced, and any gain or loss is included in operations. Depreciation of property and equipment is computed on a straight-line basis over the following estimated useful lives:

	Estimated Useful Lives
Buildings	40 Years
Furniture and Equipment	3 to 7 Years

Impairment of Long-Lived Assets

The Organization accounts for long-lived assets in accordance with generally accepted accounting principles which require that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Governmental Grants and Contracts Revenue

The Organization recognizes amounts received from grants and contracts as earned when (a) services are rendered under a unit of service method, or (b) over time as provided in the contract. Funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Organization with the terms of the contract. Grants and contracts with various federal and state agencies represent approximately 43% of the Organization's total support and revenues for the fifteen-month period ended September 30, 2018.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Promises to Give

Contributions received and unconditional promises to give are recorded as revenue at fair value in the period the contribution or promise is received. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities and changes in net assets. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written-off when deemed uncollectable.

Gifts In-Kind and Donated Services

Gifts in-kind are recorded as contributions at fair market value of the asset received at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions with donor stipulations regarding how long those donated assets must be maintained are recorded as restricted net assets until placed into service as instructed by the donor.

Donated services are recognized as contributions in accordance with generally accepted accounting principles if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased.

Gifts in-kind and donated services are included in contributions, donated services, and materials and in-kind expenses. Gifts in-kind and donated services totaled $2,438,592 for the fifteen-month period ended September 30, 2018.

Donated goods received during the fifteen-month period ended September 30, 2018, valued at $1,524,928, consisted of furniture, clothes and personal care items received to be used by program participants. Donated services received during the fifteen-month period ended September 30, 2018, of $432,935, consisted of medical and other professional services to program participants from qualified providers, $9,625 professional fund raising services and $240,104 of professional fees received from JFCS that consisted of management and general expenses. In addition, the Organization received building improvements totaling $231,000 that were capitalized during the fifteen-month period ended September 30, 2018.

The Organization receives the services of many volunteers to perform a variety of tasks that assist the Organization with specific programs, campaign solicitations, and various committee assignments. Since the services provided do not require specialized skills, they have not been valued in the accompanying financial statements. The total hours of service were approximately 2,800 (unaudited) as of September 30, 2018.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Revenues

Other revenues consists primarily of revenue from supportive housing tenants for rent, metro passes, child care, and purchases of donation center goods and is recognized upon delivery of goods or services.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, there is no provision for income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 of the IRC and has been classified as an organization that is not a private foundation.

Income determined to be unrelated business taxable income (UBTI) would be taxable. The Organization believes all activities meet exempt purposes and no material uncertain tax positions have been identified or recorded in the accompanying financial statements at September 30, 2018.

Subsequent Events

The Organization has evaluated subsequent events through June 27, 2019, the date which the financial statements were available to be issued.

NOTE 3 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at September 30, 2018:

Time Restricted:	
Promises to Give	$ -
Purpose Restricted:	
Program Services	537,073
Total	$ 537,073

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30, 2018:

Cost and Donated Value:	
Buildings and Improvements	$ 11,498,162
Furniture and Equipment	846,955
Total	12,345,117
Less Accumulated Depreciation	(4,175,391)
Land	918,878
Total Property and Equipment	$ 9,088,604

Depreciation expense was $424,128 for the fifteen-month period ended September 30, 2018.

NOTE 5 LONG-TERM DEBT

The Organization obtained a CDBG construction loan in April 2004, from the City of Phoenix to expand its facility. The loan, in the original amount of $1,000,000, is secured by a deed of trust and is noninterest bearing. The entire unpaid balance is due on the later of the expiration of the period of affordability or 35 years. If the Organization is not in default under the loan agreement, the Organization shall receive an annual credit against the principal amount due commencing in July 2018 in an amount equal to 4% of the original principal loan amount. Annual credits commence July 2018, and for the fifteen-month period ended September 30, 2018, the Organization recognized forgiveness of $10,000. The outstanding balance at September 30, 2018 was $990,000.

In July 2005, the Organization obtained a $489,394 note payable with the Arizona Department of Housing. The note is secured by a deed of trust, bears a 0% interest rate, and is forgivable at the end of a 20-year period. The loan is to be used for transitional housing.

In December 2008, the Organization obtained another CDBG construction loan from the City of Phoenix to further expand its facility. The loan, in the amount of $1,500,000, is secured by a deed of trust and is noninterest bearing. If the Organization is not in default under the loan agreement, the Organization shall receive a credit against the principal amount due on the 40th anniversary of the Certificate of Completion of the facility expansion.

In October 2012, the Organization obtained another CDBG construction loan from the City of Phoenix. The loan, in the amount of $69,690, is secured by a deed of trust and is noninterest bearing. If the Organization is not in default under the loan agreement, the Organization shall receive an annual credit against the principal amount due commencing in May 2019 in an amount equal to 20% of the original principal loan amount.

No interest was recognized or capitalized for the fifteen-month period ended September 30, 2018.

NOTE 6 RETIREMENT PLAN

The Organization sponsors a 403(b) retirement plan, which covers all employees after specified periods of service and eligibility requirements have been met. The Organization withholds voluntary contributions from paychecks and remits the contributions to an independent trustee. Each participant may contribute up to 20% of their eligible compensation on a pretax basis to the plan, up to the maximum allowed by the IRC. The Organization matches up to 50% of what an employee contributes up to 6% of their salary. During the fifteen-month period ended September 30, 2018, the Organization's matching contribution expense was $16,416.

NOTE 7 COMMITMENTS AND CONTINGENCIES

The Company leases office equipment under noncancellable operating lease agreements that expire through 2021. Rent expense totaled $33,921 for the fifteen-month period ended September 30, 2018. At September 30, 2018, future minimum lease payments were as follows:

Year Ending September 30,	Amount
2019	$ 21,592
2020	20,594
2021	5,065
Total	$ 47,251

The Organization participates in a number of federal grant and contract programs which are subject to financial and compliance audits. Accordingly, the Organization's compliance with applicable grant or contract requirements may be determined at some future date. The amount, if any, of expenditures or fees for units of service which may be disallowed by the granting or contracting agencies cannot be determined at this time, although the Organization's management expects such amounts, if any, to be immaterial.

In the opinion of management, the Organization is not involved in any pending or threatened litigation that could have a material effect on the Organization's financial position and results of operations.

SOJOURNER CENTER
NOTES TO FINANCIAL STATEMENTS
FIFTEEN-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures	
U.S. Department of Health and Human Services					
Temporary Assistance to Needy Families:					
Pass-Through the Arizona Department of Economic Security	93.558	ADES17-178650	-	$ 752,701	*
Total Temporary Assistance to Needy Families Cluster				752,701	
Social Services Block Grant:					
Pass-Through the Arizona Department of Economic Security	93.667	ADES17-178650	-	54,224	
Child Care and Development Block Grant:					
Pass-Through the Arizona Department of Economic Security	93.575	ADES16-098382	-	126,630	
Total Child Care and Development Fund Cluster				126,630	
Total U.S. Department of Health and Human Services				933,555	
U.S. Department of Housing and Urban Development					
Community Development Block Grant/Entitlement Grants:					
Pass-Through the City of Phoenix:					
Loan Balance	14.218	64210	-	69,690	
Loan Balance	14.218	107477	-	1,000,000	
Loan Balance	14.218	125187	-	1,500,000	
Total Loan Balance				2,569,690	
Pass-Through the City of Surprise	14.218	B-16-MC-04-0514	-	1,386	
Pass-Through the City of Phoenix	14.218	146020-0	-	30,731	
Total Community Development Block Grant/Entitlement Grants Cluster				2,601,807	
Total U.S. Department of Housing and Urban Development				2,601,807	
U.S. Department of Justice					
Victims of Crime Act (VOCA) Victim Assistance Grant Program					
Pass-Through the Arizona Department of Public Safety	16.575	2015-VA-GX-0032	-	152,279	*
Pass-Through the Arizona Department of Public Safety	16.575	2016-VA-GX-0046	-	961,499	*
Total U.S. Department of Justice				1,113,778	
Total Federal Expenditures				$ 4,649,140	

** Indicates major program*

See accompanying notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Sojourner Center (the Organization) for the fifteen-month period ended September 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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.

The Organization's reporting entity is defined in Note 1 of its financial statements. All federal awards from federal agencies are included in the Schedule.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the accompanying schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The Organization has elected not to use the 10% de minimis indirect rate as allowed under the uniform guidance.

NOTE 3 FEDERAL LOANS

The Organization had the following loans outstanding at September 30, 2018:

CFDA Number	Name of Federal Program	Amount Outstanding
14.218	Community Development Block Grant Entitlement Grants (Loan No. 107477)	$ 990,000
14.218	Community Development Block Grant Entitlement Grants (Loan No. 135163-0)	69,690
14.218	Community Development Block Grant Entitlement Grants (Loan No. 125187)	1,500,000

NOTE 3 FEDERAL LOANS (CONTINUED)

There were no federal awards expended for the loan program during the fifteen-month period ended September 30, 2018.

In a prior year, the Organization was awarded federal loans of $2,668,000 under the Community Development Block Grant Program from the U.S. Department of Housing and Urban Development, passed through the City of Phoenix, Arizona, CFDA #14.218. As of September 30, 2018 the outstanding balance under the loans was $2,559,690. The loans have the following continuing compliance requirements:

The underlying property built with the loans will be occupied by victims of domestic violence and their children. (All loans)

The rent for the Community Development Block Grant units may not exceed 30% of the adjusted income of a family whose gross income equals 80% of the Median Family Income for the Phoenix Standard Metropolitan Statistical Area, as determined by the U.S. Department of Housing and Urban Development. (Only loan 107477)

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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
Sojourner Center
Phoenix, Arizona

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 financial statements of Sojourner Center (the Organization), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the fifteen-month period then ended, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the 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 Sojourner Center's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questions costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and question costs as item 2018-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2018-002, 2018-003 and 2018-004 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's 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 determination of financial statement amounts. 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*.

Sojourner Center's Response to Findings

The Organization's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
June 27, 2019

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Sojourner Center
Phoenix, Arizona

Report on Compliance for Each Major Federal Program

We have audited Sojourner Center's (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the fifteen-month period ended September 30, 2018. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, Sojourner Center 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 programs for the fifteen-month period ended September 30, 2018.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each of its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. Accordingly, this report is not suitable for any other purpose.

Board of Directors
Sojourner Center

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Organization as of and for the fifteen-month period ended September 30, 2018, and have issued our report thereon dated June 27, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
June 27, 2019

SOJOURNER CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FIFTEEN-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Section I – Summary of Auditors' Results

Financial Statements

1. Type auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? ___x___ yes ______ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___x___ yes ______ none reported

3. Noncompliance material to financial statements noted? ______ yes ___x___ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? ______ yes ___x___ no

   - Significant deficiency(ies) identified that are not considered to be material weakness(es)? ______ yes ___x___ none reported

2. Type of auditor's report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ______ yes ___x___ no

Identification of Major Federal Programs

CDFA-Number(s)	Name of Federal Program or Cluster
93.558*	Department of Health and Human Services Temporary Assistance to Needy Families
16.575*	Victims of Crime Act (VOCA) Victim Assistance Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee ______ yes ___x___ no

Section II – Financial Statement Findings

2018-001 Recording Donated Goods and Services – Material Weakness

Criteria: The Financial Accounting Standards Board (FASB) 958-605 30-11 states that gifts in-kind that can be used or sold shall be measured at fair value.

Condition and Context: There was a material error in recording current year in-kind donations, in that the schedule was not properly reviewed. The resulting adjustment was $229,545 for the fifteen-month period ended September 30, 2018.

Questioned Costs: None.

Cause: The schedule supporting the entry to record the donated goods had errors that were not identified in management's review of the entry.

Effect: Failure to properly record in-kind gifts could result in a material misstatement of in-kind revenue and expenses.

Recommendation: We recommend Sojourner Center provide additional training to those responsible for preparation and review of the in-kind activity. The Organization should also implement formal policies and procedures to properly record in-kind revenues and expenses.

Repeat Finding: No.

Views of Responsible Officials: Management concurs with this recommendation.

Contact Person: Carrie Borgen, Executive Director

Section II – Financial Statement Findings (Continued)

2018-002 Financial Close and Reporting – Significant Deficiency

Criteria: A strong internal control system ensures that all material transactions have been recorded timely and accurately through an effective financial close and reporting process, and that the month and yearend closing process is conducted on a timely basis.

Condition and Context: Although the Organization has documented policies and procedures, these were not consistently followed. Certain journal entries and transactions were not reviewed and approved by an individual independent of the recording function. Account reconciliations for certain general ledger accounts were not performed and reviewed on a regular and timely basis. In addition, a complete set of financial statements were not prepared and reviewed on a regular basis.

Questioned Costs: None.

Cause: The Organization experienced turnover in the position that historically supervised the financial close and did not have effective policies and procedures in place to provide others with the knowledge and information to complete the financial close.

Effect: Audit adjustments were proposed and subsequently approved and recorded by management to present the financial statements in accordance with generally accepted accounting principles. Adjustments were proposed to beginning fund balance, depreciation expense, restricted net assets and prepaid expenses.

Recommendation: We recommend Sojourner Center provide additional training to those responsible for the financial close process. The Organization should also implement formal policies and procedures to track and record Organization activity and information and to properly prepare reconciliations and schedules to complete the financial close and to ensure completeness and accuracy of monthly/annual financial statements.

Repeat Finding: Yes.

Views of Responsible Officials: Management concurs with this recommendation.

Contact Person: Carrie Borgen, Executive Director

Section II – Financial Statement Findings (Continued)

2018-003 Schedule of Expenditures of Federal Awards – Significant Deficiency

Criteria: The Code of Federal Regulations, title 2, section 200.508(b) states that the Organization must prepare a complete and accurate Schedule of Expenditures of Federal Awards ("SEFA").

Condition and Context: The initial draft of the SEFA submitted by the Organization was not complete and accurate. Specific errors noted and corrected during the audit included missing CFDA numbers for certain programs, inclusion of nonfederal awards, and expenditure amounts that did not reconcile to the trial balance or other supporting documentation.

Questioned Costs: None.

Cause: The Organization experienced turnover in the position that historically prepared the SEFA and did not have effective policies and procedures in place to provide others with the knowledge and information to prepare the schedule.

Effect: Failure to prepare a complete and accurate SEFA can result in misstatements, incorrect determination of major programs, and delays in reporting.

Recommendation: We recommend Sojourner Center provide additional training to those responsible for preparation of the SEFA. The Organization should also implement formal policies and procedures to track and record program activity and information and to review the SEFA to ensure completeness and accuracy.

Repeat Finding: Yes.

Views of Responsible Officials: Management concurs with this recommendation.

Contact Person: Carrie Borgen, Executive Director

Section II – Financial Statement Findings (Continued)

2018-004 Contributions – Significant Deficiency

Criteria: FASB 958-605 25-2, contributions received shall be recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Further, Interest expense and contribution revenue should be reported in connection with loans to nonprofit organizations that are interest free.

Condition and Context: A contribution pledge received in a prior year, of $200,000 was recorded on a cash basis, when received.

Questioned Costs: None

Cause: The contribution pledge was recorded when the cash was received.

Effect: Failure to properly record contributions when the pledge is made could result in a misstatement of contribution revenue.

Recommendation: We recommend Sojourner Center provide additional training to those responsible for determining whether a contribution is an exchange or nonexchange transaction, restricted or unrestricted, conditional or unconditional and whether or not there is a right of return or right of release. The Organization should also implement formal policies and procedures to properly record contributions.

Repeat Finding: No

Views of Responsible Officials: Management concurs with this recommendation.

Contact Person: Carrie Borgen, Executive Director

Section III – Findings and Questioned Costs – Major Federal Programs

None

SOJOURNER CENTER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FIFTEEN-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Sojourner Center
Transforming Lives

Sojourner Center respectfully submits the following summary schedule of prior audit findings for the fifteen-month period ended September 30, 2018.

Audit period: Fifteen-month period ended September 30, 2018

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2017-001 Financial Close and Reporting

Condition: Although the Organization has documented policies and procedures, these were not consistently followed. Certain journal entries and transactions were not reviewed and approved by an individual independent of the recording function. Account reconciliations for certain general ledger accounts were not performed and reviewed on a regular and timely basis. In addition, a complete set of financial statements were not prepared and reviewed on a regular basis.

Status: See current year finding 2018-002.

Reason for finding's recurrence: Limited staffing available at Sojourner Center to fully address and resolve this issue.

Corrective Action: Jewish Family & Children's Service, Inc. (Corporate) and Sojourner Center management and accounting personnel are partnering together to incorporate Corporate's financial policies and procedures. The foundation to resolve this issue is currently underway.

2017-002 Schedule of Expenditures of Federal Awards Preparation

Condition: The initial draft of the SEFA submitted by the Organization was not complete and accurate. Specific errors noted and corrected during the audit included missing CFDA numbers for certain programs, inclusion of non-federal awards, and expenditure amounts that did not reconcile to the trial balance or other supporting documentation.

Status: See current year finding 2018-003.

Reason for finding's recurrence: Limited cross-training and staff change over.

Corrective Action: Sojourner Center management and accounting personnel are now aware of the SEFA requirements and will ensure it is properly prepared and submitted to Corporate for review before audit.

P.O. Box 20156 · Phoenix, Arizona 85036 602.244.0997 SojournerCenter.org

SOJOURNER CENTER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FIFTEEN-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Sojourner Center
Transforming Lives

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2017 – 003 Temporary Assistance to Needy Families Reporting

Condition: Although the Organization maintains a programmatic database of information used to compile the reports, the database is contemporaneous and records of historical data to support the amounts reported were not retained. Eight out of eight reports tested did not have records to support the figures reported to the respective granting agency.

Status: Corrected. Management now saves and maintains records supporting the figures reported to the respective granting agency.

If the U.S. Department of Justice has questions regarding this schedule, please call please call Teresa Celaya-Garner, JFCS CFO at 602-567-8351 or Carrie Borgen, Sojourner Center Executive Director at 602-296-3336.

P.O. Box 20156 · Phoenix, Arizona 85036 602.244.0997 SojournerCenter.org

SOJOURNER CENTER
CORRECTIVE ACTION PLAN
FIFTEEN-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Sojourner Center
Transforming Lives

Sojourner Center respectfully submits the following corrective action plan for the fifteen-month period ended September 30, 2018.

Audit period: September 30, 2018

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2018-001 Recording Donated Goods and Services

Recommendation: We recommend Sojourner Center provide additional training to those responsible for preparation and review of the in-kind activity. The Organization should also implement formal policies and procedures to properly record in-kind revenues and expenses.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding Jewish Family & Children's Service, Inc. (Corporate) and Sojourner Center concurs with this recommendation. Corporate and Sojourner Center management and accounting personnel are partnering together to incorporate Corporate's financial policies and procedures. The standardization of these procedures has either been implemented or implementation is currently underway.

Name(s) of the contact person(s) responsible for corrective action: Teresa Celaya-Garner, JFCS CFO and Carrie Borgen Sojourner Center Executive Director.

Planned completion date for corrective action plan: September 30, 2019.

SIGNIFICANT DEFICIENCY

2018-002 Financial Close and Reporting

Recommendation: We recommend Sojourner Center provide additional training to those responsible for the financial close process. The Organization should also implement formal policies and procedures to track and record Organization activity and information and to properly prepare reconciliations and schedules to complete the financial close and to ensure completeness and accuracy of monthly/annual financial statements.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding Jewish Family & Children's Service, Inc. (Corporate) and Sojourner Center concurs with this recommendation. Corporate and Sojourner Center management and accounting personnel are partnering together to incorporate Corporate's financial policies and procedures. The standardization of these procedures has either been implemented or implementation is currently underway.

Name(s) of the contact person(s) responsible for corrective action: Teresa Celaya-Garner, JFCS CFO and Carrie Borgen Sojourner Center Executive Director.

Planned completion date for corrective action plan: September 30, 2019.

P.O. Box 20156 · Phoenix, Arizona 85036 602.244.0997 SojournerCenter.org

SIGNIFICANT DEFICIENCY

2018-003 Schedule of Expenditures of Federal Awards (SEFA)

Recommendation: We recommend Sojourner Center provide additional training to those responsible for preparation of the SEFA. The Organization should also implement formal policies and procedures to track and record program activity and information and to review the SEFA to ensure completeness and accuracy.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding Jewish Family & Children's Service, Inc. (Corporate) and Sojourner Center concurs with this recommendation. Corporate and Sojourner Center management and accounting personnel are partnering together to incorporate Corporate's financial policies and procedures. The standardization of these procedures has either been implemented or implementation is currently underway.

Name(s) of the contact person(s) responsible for corrective action: Teresa Celaya-Garner, JFCS CFO and Carrie Borgen Sojourner Center Executive Director.

Planned completion date for corrective action plan: September 30, 2019.

SIGNIFICANT DEFICIENCY

2018-004 Schedule of Expenditures of Federal Awards (SEFA)

Recommendation: We recommend Sojourner Center provide additional training to those responsible for determining whether a contribution is an exchange or non-exchange transaction, restricted or unrestricted, conditional or unconditional and whether or not there is a right of return or right of release. The Organization should also implement formal policies and procedures to properly record contributions.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding Jewish Family & Children's Service, Inc. (Corporate) and Sojourner Center concurs with this recommendation. Corporate and Sojourner Center management and accounting personnel are partnering together to incorporate Corporate's financial policies and procedures. The standardization of these procedures has either been implemented or implementation is currently underway.

Name(s) of the contact person(s) responsible for corrective action: Teresa Celaya-Garner, JFCS CFO and Carrie Borgen Sojourner Center Executive Director.

Planned completion date for corrective action plan: September 30, 2019.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

NONE

If the U.S. Department of Justice has questions regarding this schedule, please call Teresa Celaya-Garner, JFCS CFO at 602-567-8351 or Carrie Borgen, Sojourner Center Executive Director at 602-296-3336.

P.O. Box 20156 · Phoenix, Arizona 85036 602.244.0997 SojournerCenter.org