

ARTICLES OF INCORPORATION

OF

PEANUT BUTTER AND JELLY PRE-SCHOOL, INC.

FILED IN OFFICE OF  
STATE CORPORATION COMMISSION  
OF NEW MEXICO

APR 29 1974

The undersigned, acting as Incorporators of a corporation formed pursuant to Chapter 51, Article 14 of the New Mexico Statutes of 1953

Annotated, do hereby certify:

I.

NAME: The name of the corporation shall be PEANUT BUTTER AND JELLY PRE-SCHOOL, INC., hereinafter referred to as the Corporation.

II.

PERIOD OF DURATION: The period of duration of corporate existence shall be one hundred (100) years from the date of incorporation, subject to renewal or extension as provided by law.

III.

PURPOSES: The purposes for which the Corporation is organized are:

A. Maintain a school for the instruction of children of all ethnic and social backgrounds, both normal children and children with disabilities, handicaps and emotional disorders, for the purpose of improving and/or developing the capabilities of each child.

B. Promote the general health, social development, education, and welfare of the children through activities which integrate normal, handicapped, and disturbed children in such a way that all the children learn from each other in an atmosphere of acceptance and sensitivity to differences.

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C. Conduct and promote all legal activities or programs necessary and desirable to achieve the general objects of the Corporation.

D. Notwithstanding any other provision of these Articles, the activities of the Corporation shall be limited exclusively to those in furtherance of purposes which enable the Corporation to qualify for tax exempt status within the meaning and provisions of Section 501 (c) (3) of the Internal Revenue Code of 1954 or the corresponding provisions of any future United States Internal Revenue Law.

IV.

POWERS: The Corporation shall have all powers authorized and permitted by law and all powers necessary and incidental to the fulfillment of its purposes.

V.

REGULATION OF INTERNAL AFFAIRS AND DISSOLUTION: Provisions for the regulation of the internal affairs of the Corporation including provisions for the distribution of assets on dissolution are:

A. The Corporation shall not afford pecuniary gain, incidentally or otherwise, to its members of the Board of Directors, officers, or other private persons, except that the Corporation will be authorized and empowered to pay reasonable compensation for services and to make payments or distributions in furtherance of the objects and purposes set forth in Article III.

B. No substantial part of the activities of the Corporation shall further attempts to influence legislation by propaganda or otherwise, and

the Corporation will not participate or intervene directly or indirectly in any political campaign on behalf of or in opposition to any candidate for public office.

C. The Corporation shall only engage in activities permitted to be carried on by a corporation exempt from taxation under Section 501 (c) (3) of the Internal Revenue Code of 1954 or by a corporation, contributions to which are deductible under Section 170 (c) (2) or the corresponding provisions of future United States Internal Revenue Laws.

D. On the dissolution of this Corporation, its assets remaining after payment of all debts and liabilities shall be distributed to a non-profit fund, foundation or corporation organized and operated exclusively for charitable, educational and scientific purposes, and that has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1954 or the corresponding provisions of any future United States Internal Revenue Law.

#### VI.

ADDRESS: The address of the registered office of the Corporation is Albuquerque, Bernalillo County, New Mexico and elsewhere as shall be determined by the Board of Directors from time to time and pursuant to law.

#### VII.

DIRECTORS: The number of directors constituting the Initial Board of Directors of the Corporation is five, and they shall serve in such capacity until their successors are elected. The names and addresses of the persons who are to serve as the initial directors are:

<u>Name</u>	<u>Address</u>
Anita Gonzales	426 64th, S.W. Albuquerque, New Mexico
Susanne Lopez	2225 Ana Court, N.E. Albuquerque, New Mexico
Regina Ricci	2514 Gun Club Road, S.W. Albuquerque, New Mexico
Ramona Lujan	2969 Clover, S.W. Albuquerque, New Mexico
Angela Grodner	411 Columbia Drive, S.E. Albuquerque, New Mexico

VIII.

AMENDMENT OF ARTICLES: These Articles of Incorporation may be amended only upon the affirmative vote of two-thirds (2/3) of the Board of Directors at a duly called and held meeting for that purpose.

IX.

INCORPORATORS: The name and address of each incorporator is:

<u>Name</u>	<u>Address</u>
Regina Ricci	2514 Gun Club Road, S.W. Albuquerque, New Mexico
Angela Grodner	411 Columbia Drive, S.E. Albuquerque, New Mexico
Christine Ruiz	828 Gatewood Avenue, S.W. Albuquerque, New Mexico

Dated this 28<sup>th</sup> day of January, 1974.

Incorporators:

15/ Regina Ricci  
15/ Angela Grodner  
15/ Christine Ruiz

STATE OF NEW MEXICO

County of Bernalillo...ss

Regina Ricci, Angela Groban and Christie King personally appeared before me this 28<sup>th</sup> day of January, 1974, and being duly sworn, affirmed they are the incorporators in the foregoing instrument entitled Articles of Incorporation of Peanut Butter and Jelly Pre-School, Inc., and they acknowledge the instrument to their voluntary acts and deed.

(Notary seal)

My Commission Expires:

9/17/77

Linda S. Murr  
Notary Public



**Certificate of Filing**

United States of America }  
State of New Mexico } ss.

*It Is Hereby Certified that there was filed for record in the office of the State Corporation Commission of the State of New Mexico on the -----29th----- day of -----April, 1974-----*

ARTICLES OF INCORPORATION

OF

PEANUT BUTTER AND JELLY PRE-SCHOOL, INC.

(80,277)



*In Testimony Whereof, the State Corporation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to be affixed at the City of Santa Fe on this -----29th----- day of -----April, 1974-----*



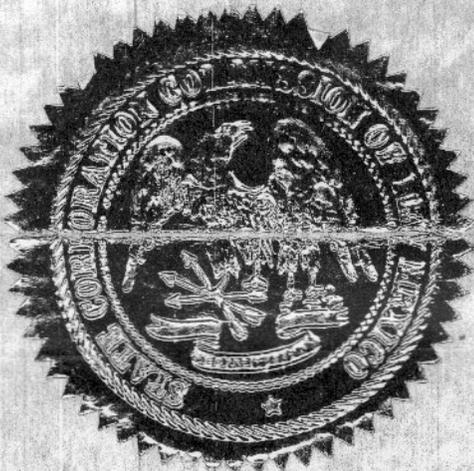
CERTIFICATE OF COMPARISON  
OF

PEANUT BUTTER AND JELLY PRE-SCHOOL, INC.

The State Corporation Commission certifies that the attached is a true copy of the following document filed in this office:

Articles of Incorporation-----Filed: April 29, 1974

(80,277)



*In Testimony Whereof, the State Corporation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to be affixed at the City of Santa Fe on this 29th day of April, 1974*

SAM.gov

Unique Entity Identifier Verification

**SC94JEFHJL**

**LOBBYING CERTIFICATION**

*An Applicant that submits or intends to submit an application to FTA for Federal assistance exceeding \$100,000 is required to provide the following certification. FTA may not award Federal assistance exceeding \$100,000 until the Applicant provides this certification.*

- A. As required by 31 U.S.C. 1352 and U.S. DOT regulations, "New Restrictions on Lobbying," at 49 CFR 20.110, the Applicant's authorized representative certifies to the best of his or her knowledge and belief that for each application to FTA for Federal assistance exceeding \$100,000:
- (1) No Federal appropriated funds have been or will be paid by or on behalf of the Applicant to any person to influence or attempt to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress regarding the award of Federal assistance, or the extension, continuation, renewal, amendment, or modification of any Federal assistance agreement; and
  - (2) If any funds other than Federal appropriated funds have been or will be paid to any person to influence or attempt to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any application for Federal assistance, the Applicant assures that it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," including information required by the instructions accompanying the form, which form may be amended to omit such information as authorized by 31 U.S.C. 1352; and
  - (3) The language of this certification shall be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, subagreements, and contracts under grants, loans, and cooperative agreements).
- B. The Applicant understands that this certification is a material representation of fact upon which reliance is placed by the Federal government and that submission of this certification is a prerequisite for providing Federal assistance for a transaction covered by 31 U.S.C. 1352. The Applicant also understands that any person who fails to file a required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for each such failure.

**AFFIRMATION OF APPLICANT**

Name of Applicant: PBJ Family Services

Printed Name of Authorized Representative: Jennifer Thompson

Relationship of Authorized Representative: Executive Director

In signing this document, I declare under penalties of perjury that the foregoing certifications and assurances, and any other statements made by me on behalf of the Applicant are true and correct.

Signature: Jennifer Thompson Date: 10/8/25

Printed Name of Signing Official: Jennifer Thompson

**Internal Revenue Service**

**Date:** February 6, 2007

P B & J FAMILY SERVICES INC  
1101 LOPEZ RD SW  
ALBUQUERQUE NM 87105-3954

**Department of the Treasury**  
**P. O. Box 2508**  
**Cincinnati, OH 45201**

**Person to Contact:**

Ms. Mills 31-08706  
Customer Service Representative

**Toll Free Telephone Number:**  
877-829-5500

**Federal Identification Number:**  
85-0231566

Dear Sir or Madam:

This is in response to your request of February 6, 2007, regarding your organization's tax-exempt status.

In August 1974 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Michele M. Sullivan, Oper. Mgr.  
Accounts Management Operations 1

Internal Revenue Service  
District Director

Department of the Treasury

P. O. Box 2508  
Cincinnati, OH 45201

Date: May 20, 1999

Person to Contact:  
Vicki Adams 31-04011  
Customer Service Representative

P B & J Family Services, Inc.  
1101 Lopez Rd. SW  
Albuquerque, NM 87105-3954

Telephone Number:  
877-829-5500  
Fax Number:  
513-684-5936  
Federal Identification Number:  
85-0231566

Dear Sir or Madam:

This letter is in response to our receiving a copy of your Amended Articles of Incorporation, dated February 17, 1999, changing the name of your organization to what is shown above.

Our records indicate that a determination letter issued in August 1974 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

P B & J Family Services, Inc.  
85-0231566

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

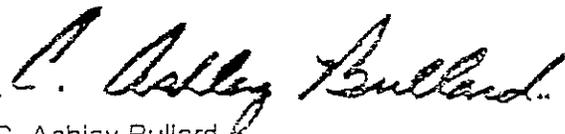
Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



C. Ashley Bullard  
District Director

Internal Revenue Service  
District Director

Department of the Treasury

Date: September 22, 1976

Our Letter Dated:

August 19, 1974

Person to Contact:

Jean R. Mitchell

Contact Telephone Number:

(512) 397-5718

AIRTEL: 76-1728

Peanut Butter and Jelly Pre-School, Inc.  
c/o Angela Grodner  
1108 Airway SW  
Albuquerque, NM 87105

Gentlemen:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

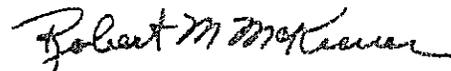
Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section 170(b)(1)(A)(vi). Your exempt status under section 501(c)(3) of the code is still in effect.

Grantors and contributors may rely on this determination until the Internal Revenue Service publishes notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Robert M. McKeever  
District Director

# **Section 13**

## **FISCAL POLICIES AND PROCEDURES**

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Section 13: Fiscal Policies and Procedures  
Policy

13.1: Accounting Principles and Procedures

*Board Approved: June 28, 2001*

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PB&J adheres to generally accepted accounting principles for nonprofit organizations as promulgated by the Financial Accounting Standards Board and the American Institute of Certified Public Accountants and with the fiscal regulations of its various funding sources. The fiscal procedures established to carry out this policy will be reviewed annually by the Finance Committee of the Board and a report on its review presented to the Board of Directors.

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Section 13: Fiscal Policies and Procedures  
Procedure

13.1.a: Accounting Principles and Procedures

*Staff Reviewed: January 2024*

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PB&J uses a double-entry bookkeeping system to assure the mathematical accuracy of its transactions.

PB&J records transactions on an accrual basis to match the period of the revenue to the period of the expense.

PB&J assigns financial activities to various members of the administrative staff in order to safeguard assets by means of appropriate controls.

PB&J seeks the advice of the auditors in the event of unfamiliar accounting transactions.

PB&J reviews monthly financial statements to monitor adherence to the dictates of its funding sources

PB&J designates funds as to their restrictions in accordance with fund-accounting principles.

PB&J utilizes a computerized not-for-profit accounting package for efficiency of recording its transactions and producing appropriate reports.

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Section 13: Fiscal Policies and Procedures

Procedure

13.1.b: Capitalization

*Staff Reviewed: December 2023*

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**Property and Equipment**

Property and equipment includes items such as:

1. Office furniture and equipment
2. Computer hardware
3. Computer software
4. Leasehold improvements
5. Land and improvements

It is the organization's policy to capitalize all items which have a unit cost greater than one thousand dollars (\$1,000). Items purchased with a value or cost less than one thousand dollars (\$1,000) will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

- |                          |                 |
|--------------------------|-----------------|
| • Computer Hardware      | 36 months       |
| • Office Equipment       | 60 months       |
| • Office Furniture       | 60 months       |
| • Computer Software      | 36 months       |
| • Leasehold improvements | Length of lease |

1. A Fixed Asset Log is maintained by the Accounts Payable Clerk, including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, life of asset.
2. The Log will be reviewed by the Finance Manager.
3. Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.
4. The Finance Manager shall be informed in writing of any change in status or condition of any property or equipment.
5. Depreciation is recorded at least annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

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Section 13: Fiscal Policies and Procedures  
Procedure

13.1.c: Bank Account Reconciliation  
*Staff Reviewed: December 2023*

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1. All bank statements are given unopened to the Finance Office. The Finance Manager reviews the statements for unusual balances and/or transactions.
2. The Finance Manager will give to his designee for timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.
3. The Finance Manager or his designee will verify that voided checks, if returned, are appropriately defaced and filed.
4. The Finance Manager or his designee will investigate any checks that are outstanding over six months.
5. The Finance Manager or his designee will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.
6. The reconciliation report will be reviewed, approved, dated, and initialed by the Manager.

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Section 13: Fiscal Policies and Procedures  
Procedure

13.1.d: Endorsement for Deposits  
*Staff Reviewed: December 2023*

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PB&J stamps all incoming checks “For Deposit Only” at the time they are received.

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Section 13: Fiscal Policies and Procedures  
Procedure

13.1.e: Voiding Checks  
*Staff Reviewed: December 2023*

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PB&J stamps “Void” on all non-issued checks without signatures; checks with signatures are stamped “Void” and the signature portion is cut out.

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Section 13: Fiscal Policies and Procedures  
Procedure

13.1.f: Petty Cash

*Staff Reviewed: December 2023*

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PB&J Maintains a Petty Cash account in the amount of \$200.00. This money is used for incidentals not to exceed \$10.00 on a single expenditure. Fiscal Department will assign one individual at each site with responsibility for maintaining the Petty Cash account.

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Section 13: Fiscal Policies and Procedures  
Procedure

13.1.g: Material and Equipment Requisition Form

*Staff Reviewed: December 2023*

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Step-by-step procedures for purchase requisitions correctly are as follows:

1. Quantity, Item, Justification, Unit Price and Suggested Source need to be completed.
  - a. Quantity – number of items.
  - b. Item – What is it?
  - c. Justification – What purpose?
  - d. Unit Price – how much does it cost?
  - e. Suggested Source – where will you buy it?
2. Requisition need three signatures.
  - a. Requested by
  - b. Supervisors Signature
  - c. Requests over \$500.00 must be approved by the a Co-Executive Director, whenever possible prior to submission to Finance Department
  - d. Fiscal Manager's Signatures
3. Steps one and two must be completed before a purchase can occur.
4. After purchase the receipt must be submitted to Finance.

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Section 13: Fiscal Policies and Procedures  
Procedure

13.1.h: Expenditure Approved Procedure

*Board Approved: September 2018*

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**Approval Authorities.** The Board delegates to the Co-Executive Director the authority to appoint authorized purchasing agents as he or she sees fit. Purchasing agents will ensure expenditures of the following amounts, exclusive of applicable taxes, are approved in accordance with the following schedule.

**Expenditures less than \$5,000 - \$10,000?** require the authorization of the Executive Director, except where such expenditure is for reimbursement to the Director, in which case the expenditure will require authorization by either the Board Chair or Treasurer.

**Expenditures over \$10,000 and less than \$25,000** require the authorization of the Director and both the Board Chair and Treasurer, and such expenditures must be memorialized in writing and include a description of the good or service obtained, the price for which it was obtained, proof of purchase, and signatures of the required parties.

**Exceptions would be recurring expenditures.**

**Expenditures over \$25,000 and less than \$50,000** require the approval of the Director and the Board Finance Committee, and such expenditures must be memorialized in writing and include a description of the good or service obtained, the price for which it was obtained, proof of purchase, and signatures of the required parties.

**Expenditures over \$50,000** require the approval of the Board, and such expenditures must be memorialized in writing and include a description of the good or service obtained, the price for which it was obtained, proof of purchase, and signatures of the required parties.

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Section 13: Fiscal Policies and Procedures

Procedure

13.1.i: Kitchen Inventory Policy

*Board Approved: September 2018*

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Procedures for providing monthly food inventory for the kitchens:

1. The food inventory will be taken on the last day of the month.
2. The inventory will be taken after the kitchen has closed or before it opens.
3. Inventory Count Sheets will be used which will be standardized for units (pounds, number of items, boxes).
4. During the taking of the inventory, older goods will be rotated to the front of shelves so they are used first. This practice will ensure that items are being used on a First In, First Out (FIFO) basis.
5. Two persons will take inventory.
6. The inventory count will forward to the Finance Department when complete.

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Section 13: Fiscal Policies and Procedures

Policy

13.2: Internal Control Procedures

*Board Approved: May 23, 2001*

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PB&J Family Services shall maintain and follow a written manual of internal control procedures aimed at safeguarding agency assets, and at assuring adherence to fiscal policies and accuracy of fiscal records maintained. The manual is reviewed at least biannually by the Finance Committee, which will report its findings and recommendations to the Board.

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Section 13: Fiscal Policies and Procedures

Procedure

13.2.a: Internal Control Procedures

*Staff Reviewed: December 2023*

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Procedures for safeguarding PB&J assets are written to insure the highest level of internal control attainable with current staffing. The manual includes procedures addressing but not limited to:

- Cash Receipts
- Credit Card Receipts
- Cash Disbursements
- Purchasing
- Payroll

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Section 13: Fiscal Policies and Procedures  
Procedure

13.2.b: Internal Control Procedures  
*Board Approved: September 2018*

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Procedures for providing Finance Committee oversight of the financial department:

- All checks currently require two signatures regardless of amount. Designated by Executive Director.
- If we ever have write offs, have the person that prepares the aging reports to make any suggestions on write offs. Then the Executive and the Program Director to which the write off relates will both approve the write offs.
- The Treasurer along with the Finance Committee will review the Monthly Disbursements Register prepared by Finance Dept.
- Monthly adjusting journal entries will be prepared by Finance Manager. Co-Executive Directors will review. These monthly entries will be presented to the Executive Directors to approve along with the monthly financials.
- The Co-Executive Directors will review the financial information but limit taking on the preparation of financial information.

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Section 13: Fiscal Policies and Procedures  
Policy

13.3: Fiscal Year  
*Board Approved: May 23, 2001*

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The fiscal year of PB&J Family Services, Inc. is July 1 through June 30.

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Section 13: Fiscal Policies and Procedures  
Procedure

13.3.a: Fiscal Year  
*Staff Reviewed: December 2023*

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The Board of Directors of PB&J Family Services determines the Fiscal Year and may change it at their discretion.

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Section 13: Fiscal Policies and Procedures  
Policy

13.4: Budget Approval

*Board Approved: January 27, 2006*

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The Board of Directors approves annual program line item budgets and an overall agency categorical line item budget and receives monthly overall agency financial reports and at least semi-annual program budget reports. **Any program budget change of 15% or more must be approved by the Board. Any overall budget category change of 15% or more must be approved by the Board.**

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Section 13: Fiscal Policies and Procedures  
Procedure

13.4.a: Budget Approval

*Staff Reviewed: December 2023*

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At its June meeting the Board of Directors approves a new budget for the fiscal year beginning July 1, or extends the current budget until enough grant awards have been received for the Fiscal Director to have a reasonable basis for a new budget by its August or September meeting.

The Board Finance Committee will review the current financial statements prior to each Board Meeting and make its report to the full Board.

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Section 13: Fiscal Policies and Procedures  
Policy

13.5: Annual Financial Audit

*Board Approved: May 23, 2001*

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The Board of Directors will engage a Certified Public Accountant to conduct an audit of the school's financial statements and a review of internal control procedures each fiscal year. Any findings or recommendations made by the auditing firm will be referred to the appropriate Board Committee for recommendation of action by the Board. Copies of the audit will be forward to funding organization as required.

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Section 13: Fiscal Policies and Procedures  
Procedure

13.5.a: Annual Financial Audit

*Staff Reviewed: December 2023*

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The Board of Directors periodically requests bids for annual financial audit services. The Board will then engage a certified public accounting firm to conduct PB&J's annual audit.

Upon receipt of the audit report, and management letter (if applicable), the Board refers the findings or recommendations to the appropriate Board committee for review and recommendation of action by the full Board for the staff to implement.

The Fiscal Manager forwards copies of the audit report to the appropriate funding agencies.

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Section 13: Fiscal Policies and Procedures

Policy

13.6: Cash Reserve

*Board Approved: May 23, 2001*

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PB&J Family Services shall maintain a cash balance of at least one month of budgeted expenses at all times. The cash position of the organization shall be monitored monthly by the Finance Committee and reported to the Board at its regularly scheduled meeting.

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Section 13: Fiscal Policies and Procedures

Procedure

13.6.a: Cash Reserve

*Staff Reviewed: December 2023*

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The Fiscal Director will provide financial reports including the cash balance to the Board Finance Committee prior to its meetings. The Finance Committee will report to the full Board at its next regularly scheduled meeting.

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Section 13: Fiscal Policies and Procedures

Policy

13.7: Brokerage Account

*Board Approved: May 23, 2001*

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PB&J Family Services will maintain a Brokerage account with a major brokerage organization in order to facilitate donation of capital stock to the agency. Upon receipt of any stock certificate or notification of receipt of any stock received (in street name) in the brokerage account, the stock will be sold.

The only persons authorized to transact business with the brokerage firm shall be the Finance Director and the Board Treasurer. The Board requires that notification of any transaction with the brokerage firm be sent to both the agency at its mailing address and the Treasurer of the Board at an address designated by that person.

The Finance Committee of the Board shall review the statements from the brokerage firm at least bi-monthly.

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Section 13: Fiscal Policies and Procedures

Procedure

13.7.a: Brokerage Account

*Staff Reviewed: December 2023*

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Upon receipt or notification of receipt of stock, the Fiscal Director will determine the donor's name and the value of the stock, record the donation, and request a thank-you acknowledgement be sent to the donor.

The Fiscal Director will discuss the donation with the Board Treasurer to determine which person will initiate the sale. If the Board Treasurer is unavailable, the Fiscal Director will sell the stock and record the proceeds.

The Fiscal Director will present the brokerage statements to the Finance Committee meetings.

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Section 13: Fiscal Policies and Procedures

Procedure

13.8.a: Travel

*Staff Reviewed: December 2023*

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These procedures are applicable to all agency employees. The following information provides step-by-step procedures to assist individuals in the travel process.

1. All travel must be for **eligible business** related activity. That means, discuss purpose of travel and scheduling consideration with your Program Directors.
2. All employees must have appropriate levels of approval for travel prior to making any travel arrangements.
3. Transportation method must be determined:
  - a. Travel by air, auto rental and hotel room will be booked by employee.
  - b. Travel by personal vehicle will be reimbursed at agency-approved rate per mile. See Employee Manual section 2.5 for mileage reimbursement procedures.
  - c. Meals and lodging are based on the State's allowable rates. Rates vary between in-state and out-of-state.
4. Complete a Material Request form with a Conference Request form when conference registration fees are required.
5. Obtain appropriate approvals from Program Director, Human Resources and Co-Executive Director if necessary.
6. Submit forms to Finance Manager.

Expenses personally incurred will be reimbursed for eligible travel expenses. In order to receive reimbursement the traveler must submit a Material Request form with all related receipts.

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Section 13: Fiscal Policies and Procedures  
Policy  
13.9: Contract Compliance  
*Board Approved: March 26, 2004*

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When PB&J receives federal funding, the agency will comply with the terms of the grant/contract and the organization will be accountable for tracking the funds and determining and overseeing how the funds are being used and reported.

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Section 13: Fiscal Policies and Procedures  
Procedure  
13.9.a: Contract Compliance  
*Staff Reviewed: December 2023*

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PB&J actively pursues both federal and state funding when appropriate to add to or augment our programs. Prior to the award of such funding a complete budget analysis and cost analysis is completed with the Development Director and submitted with the funding package. Upon award of such funding PB&J will comply with the terms of the grants/contracts by fully utilizing accurate and accountable tracking of program utilization and funds expended. As negotiated in such contracts, reports are generated to the funder detailing how the funds are overseen as well as program outcomes. Every contract is reviewed internally quarterly to ensure compliance and feasibility of continued funding.

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Section 13: Fiscal Policies and Procedures  
Policy  
13.10: Procurement  
*Board Approved: June 2014*

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All Procurements made by PBJ Family Services, Inc. will be made in accordance with the following procurement standards.

Purchases will be reviewed by the Manager of Finance to prevent duplication and to ensure that costs are reasonable.

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Section 13: Fiscal Policies and Procedures  
Procedure  
13.10.a: Procurement  
*Staff Reviewed: December 2023*

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## **METHODS FOR PROCUREMENT**

Procurements shall be made using one of the following methods: (a) small purchase procedures, (b) competitive sealed bids, (c) competitive negotiations (d) non-competitive negotiations shall be made as follows.

### **A. Small Purchases**

Purchases which cost between \$500 and \$1,000 will require three quotations of rate, price, etc. A memorandum will be prepared setting forth the date solicitations were made, parties contacted and prices obtained. For purchases of less than \$500, efforts will be made to get the lowest and best price, but written records of such efforts are not necessary.

Purchases of supplies, equipment and services which cost between \$1,000 and \$10,000 will require written estimates but no legal advertisement is required. PB&J Family Services, Inc. will solicit written responses from at least three vendors, and if no such responses are available, a statement explaining the procurement will be prepared and filed.

### **B. Competitive Sealed Bids**

Bidding will be employed when detailed specifications for the goods or services to be procured can be prepared and the primary basis for award is cost. When the cost of a contract, lease or other agreement for materials, supplies, equipment or contractual services, other than those personal or professional, exceeds \$10,000, an Invitation for Bids (IFB) notice will generally be prepared. This notice will be published at least once in Albuquerque Journal, the official newspaper of general circulation in Bernalillo County. This newspaper notice will appear not less than seven (7) days and not more than twenty-one (21) days before the due date for bid proposals PB&J Family Services, Inc. may also solicit sealed bids from responsible prospective suppliers by sending them a copy of such notice.

The IFB will include a complete, accurate and realistic specification and description of the goods or services to be procured, the bid deposit, payment bond and bond performance required (if applicable), the location where bid forms and specifications may be secured, the time and place for opening bids, and whether the bid award will be made on the basis of the lowest price or the lowest evaluated price. If the lowest evaluated price is used, the measurable criteria to be used must be stated in the IFB.

Sealed bids will be opened in public at the time and place stated in the IFBs. The bids will be tabulated by the Finance Manager at the time of bid opening. The results of the tabulation and the bid procurements will be examined for accuracy and completeness by the Co-Executive Director who will make recommendations to the PB&J Family Services, Inc. In addition, the Director shall determine that all firms are responsive and responsible. The PB&J Family Services, Inc. will make the decision as to whom the contract shall be awarded. After the bid award is made by the PB&J Family Services, Inc., a contract will be prepared for execution by the successful bidder. After the contract is signed, all bid deposits will be returned to all unsuccessful bidders.

PB&J Family Services, Inc. may cancel an Invitation for Bid or reject all bids if it is determined that such is in the best interests of PB&J Family Services, Inc. Bidders will be notified in writing of such cancellation or rejection. PB&J Family Services, Inc. may allow a vendor to withdraw a bid if requested at any time prior to the bid opening. Bids received after the time set for bid opening shall be returned to the vendor unopened.

### **C. Competitive Negotiations**

PB&J Family Services, Inc. will use competitive negotiations, regardless of contract amount, upon a written determination that:

1. Specifications cannot be made specific enough to permit the award of a bid on the basis of either the lowest bid or the lowest evaluated bid price (in other words, bidding is not feasible).
2. The services to be procured are professional in nature.

With the exception of certain professional services (principally engineering services), competitive negotiations will proceed as follows:

- a. Proposals will be solicited through newspaper advertisement; additionally, a Request for Proposal (RFP) may be prepared and mailed to qualified vendors. The newspaper advertisement must be published at least seven (7) days and not more than twenty-one (21) days before the date for receipt of the proposals. The RFP will describe services needed and identify the factors to be considered in the evaluation of proposals and the relative weights assigned to each selection factor. The RFP will also state where further details regarding the RFP may be obtained. The RFP will call attention to the same regulations discussed in the bidding process. Requests for proposals will always include cost as a selection factor.
- b. Award must be made to the offeror whose proposal is determined in writing by the PB&J Family Services, Inc. to be the most advantageous to PB&J Family Services, Inc.

Evaluations must be based on the factors set forth in the Request for Proposal and a written evaluation of each response prepared. The review committee may contact the firms regarding their proposals for the purpose of clarification and record in writing the nature of the clarification. If it is determined that no acceptable proposal has been submitted, all proposals may be rejected. New proposals may be solicited on the same or revised terms or the procurement may be abandoned.

For the procurement of certain professional services, an alternative to RFPs may be used. PB&J Family Services, Inc. may publish a Request for Qualifications. RFQ's are handled in a similar method to RFP's with the exception that cost is not a factor in the initial evaluation. The review committee will evaluate the responses and rank them by comparative qualifications. The highest scoring person or firm will be contacted and the Executive Director will negotiate cost. If the Executive Director is unable to negotiate a satisfactory cost arrangement, the second highest scoring person or firm will be invited to negotiate. The Executive Director will maintain a written record of all such negotiations.

**D. Noncompetitive Negotiations**

Noncompetitive negotiations may be used for procurements in excess of \$10,000 when bidding or competitive negotiations are not feasible. PB&J Family Services, Inc. may purchase goods and services through non-competitive negotiations when it is determined in writing by the Executive Director that competitive negotiation or bidding is not feasible and that:

1. An emergency exists which will cause public harm as a result of the delay caused by following competitive purchasing procedures, or
2. The product or service can be obtained only from one source, or
3. The contract is for the purchase of perishable items purchased on a weekly or more frequent basis, or
4. Only one satisfactory proposal is received through RFP or RFQ, or

Procurement by noncompetitive negotiation requires the strictest attention to the observation of impartiality toward all suppliers. The PB&J Family Services, Inc. must approve all procurements by non-competitive negotiation when only one supplier is involved or only one bid or response to an RFP/RFQ is received.

- E.** Bids will be accepted only from those contractors who have a proven record of ability to successfully complete the scope of work being bid. References will be requested along with the contractor's bid proposal. Any contractors submitting a bid must produce (along with his/her bid documents) written

proof of liability insurance and worker's compensation coverage. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources in awarding contracts.

- F. Upon submission of a bid, the contractor will present a bid guarantee equivalent to 5 percent of the amount of the contractor's submitted bid. Unsuccessful bidders will have their bid guarantee returned to them with the notice which advises them they are an unsuccessful bidder. The successful bidder will post (at the signing of the contract and notice to proceed) a performance bond equal to 100 percent of the contract amount, along with a payment bond equivalent to 100 percent of the contract amount.

## **II. CONTRACTS**

Generally, all procurement in excess of \$500 will be memorialized and supported by a written contract. Where it is not feasible or is impractical to prepare a contract, a written finding to this effect will be prepared and some form of documentation regarding the transaction will also be prepared. All contracts will contain language which allows the PB&J Family Services, Inc. the opportunity to cancel any contract for cause. Said cause shall include (but not be limited to) demonstrated lack of ability to perform the work specified, unwillingness to complete the work in a timely fashion, cancellation of liability insurance or worker's compensation, failure to pay suppliers or workers, unsafe working conditions caused by the contractor, failure to comply with Davis-Bacon wage laws (where applicable), failure to keep accurate and timely records of the job, or failure to make those records available to the PB&J Family Services, Inc. (on request) or any other documented matter which could cause a hardship for the PB&J Family Services, Inc. if a claim should arise or the work not be completed on schedule at the specified cost.

## **III. DOCUMENTATION**

All source documents supporting any given transaction (receipts, purchase orders, invoices, RFP/RFQ data and bid materials) will be retained and filed in an appropriate manner. Where feasible, source documents pertinent to each individual procurement, shall be separately filed and maintained. Where it is not feasible to maintain individual procurement files, source documents will be filed and maintained in a reasonable manner (examples include chronologically, by vendor, by type of procurement, etc.). Whatever form of documentation and filing is employed, the purpose of this section is to ensure that a clear and consistent audit trail is established. At a minimum, source document data must be sufficient to establish the basis for selection, basis for cost, (including the issue of reasonableness of cost), rationale for method of procurement and selection of contract type, and basis for payment.

## **IV. LOCALLY OWNED, MINORITY-OWNED, FEMALE-OWNED AND SMALL BUSINESSES**

All necessary affirmative steps will be taken and documented to solicit participation of locally owned, minority-owned, female-owned and small businesses. PB&J Family Services, Inc. will solicit proposals from minority- or women-owned businesses that provide the goods or services that are being sought. Where possible and feasible, delivery schedules will be established and work will be subdivided to maximize participation by small businesses or minority- or women-owned businesses. Subdivided components will be bid as a separate contract. Where feasible, evaluation criteria will include a factor with an appropriate weight for these firms. A list of locally owned, minority-owned, female-owned and small businesses and also minority businesses located within the trade region shall be maintained and used when issuing IFBs, RFPs and RFQs. This list shall also be consulted when making small purchases. PB&J Family Services, Inc. will use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce. The successful bidder will be required to use the same criteria in selection of suppliers and subcontractors whenever possible.

## ***V. CODE OF CONDUCT***

### **A. Conflict Of Interest**

No PB&J Family Services, Inc. member, employee, consultant, elected official, appointed official or designated agent of PB&J Family Services, Inc. will take part or have an interest in the award of any procurement transaction if a conflict of interest, real or apparent, exists. A conflict of interest occurs when the official, employee or designated agent of PB&J Family Services, Inc., partners of such individuals, immediate family members, or an organization which employs or intends to employ any of the above has a financial or other interest in any of the competing firms.

### **B. Acceptance of Gratuities**

No PB&J Family Services, Inc. member, employee or designated agent of PB&J Family Services, Inc. shall solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, subcontractors or potential subcontractors.

### **C. Penalties**

Any PB&J Family Services, Inc. member, employee or designated agent of PB&J Family Services, Inc. who knowingly and deliberately violates the provisions of this code will be open to civil suit by PB&J Family Services, Inc. without the legal protection of PB&J Family Services, Inc. Furthermore, such a violation of these procurement standards is grounds for dismissal by PB&J Family Services, Inc. (if an employee) or such sanctions as available under the law (if an elected official).

Any contractor or potential contractor who knowingly and deliberately violates the provisions of these procurement standards will be barred from future transactions with PB&J Family Services, Inc.

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Section 13: Fiscal Policies and Procedures  
Policy

13.11: Fundraising and Donor Privacy

*Board Approved: March 2017*

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All donations solicited on behalf of PB&J shall be used to further its mission and follow the policies and procedures outlined below.

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Section 13: Fiscal Policies and Procedures  
Procedure

13.11 Fundraising and Donor Privacy

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Funds shall be solicited in a respectful manner and without pressure. All third parties not directly affiliated with PB&J Family Services who wish to solicit funds on behalf of the agency must acquire written permission from the PB&J Family Services development office prior to beginning any fundraising activities. Donor-designated restrictions on contributions shall be honored. The PB&J Family Services is a non-profit 501(c) (3) agency and contributions made to the agency are tax deductible to the fullest extent of the law. Written tax receipts shall be issued for all donations. If the donor receives anything in exchange for their donation, such as a dinner or event admission, the tax receipt shall clearly state what portion of the donation is tax deductible. At the beginning of each calendar year PB&J Family Services shall provide its donors with written documentation of all tax deductible gifts received during the prior calendar year.

Upon receipt, all monetary donations shall be forwarded to the accounting department for coding and recording purposes. After funds have been accounted for by the appropriate accounting staff, a written transmittal, check copies, cash receipts, and any other correspondence accompanying the gift shall be circulated through the development department. Donations are acknowledged by the development department. All monetary donations are recorded and deposited according to accounting procedures. All donor-designated restrictions shall be communicated to the accounting department so that they may be recorded and governed appropriately. All requests for donors to remain anonymous shall be honored by flagging the gift in the donor database as appropriate. All in-kind gifts that are accepted by PB&J Family Services shall be recorded and acknowledged according to development and accounting procedures.

Any information supplied to PB&J Family Services by donors will be used solely to fulfill their donation and shall not be shared for any reason unless permission is granted by the donor to share such information. All requests to remain anonymous shall be honored. PB&J Family Services does not sell or share donor lists. Donors who supply PB&J Family Services with their postal address or email address may be contacted periodically for solicitation purposes and/or with information regarding upcoming events. All donors have the option of being placed on a "once-a-year" mailing list which grants PB&J Family Services permission to contact them only once per year. Donors may request to be

permanently removed from PB&J Family Services mailing list by contacting us via email, phone or postal mail. All requests to be removed from PB&J Family Services mailing list shall be honored. Donors who supply PB&J Family Services with their telephone number shall only be contacted by telephone regarding donations they have made. PB&J Family Services does not participate in telephone fundraising activities.

**Schedule of Retention for Administrative Records  
PB&J Family Services, Inc.**

<u>Type of Record</u>	<u>Retention Period</u> <u>Years</u>
Accident Reports (settled).....	7
Annual Financial Reports:	
Articles of Incorporation.....	P
Audit Reports.....	P
Bank Deposit Slips.....	7
Bank Reconciliations.....	7
Bank Statements.....	7
Budgets.....	7
Check Register.....	7
Checks (paid and cancelled).....	7 AD
Check copies.....	7
Contracts:	
Employee.....	7 AT
Vendor.....	7
Correspondence:	
Accounting.....	7
General.....	7
Cost Accounting Records.....	7
Depreciation Schedules.....	P
Equipment Leases (after expiration).....	7
Employment Security Reports (903A).....	7
Fidelity Bond Insurance Record.....	7 AT
Financial Reports:	
Audited.....	P
Annual.....	P
Fixed Asset Records.....	P

Schedule of Retention  
continued

Insurance Policies (after expiration) .....	7
Inventory Records .....	7 AD
Invoices (Issued or Received) .....	7

Ledgers and Journals:

Cash Disbursements and Cash Receipts .....	7
General Journal .....	7
General Ledger.....	P
Journal Entries, Year End... ..	P
Payroll Journal .....	7

Petty Cash Records .....	7
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Personnel Records:

Contracts .....	10 AT
Cancelled Checks .....	10
Personnel Files .....	10 AT
Time Sheets.....	10
Unemployment Claims .....	10 AT
Worker's Compensation Reports.....	10

W-4s .....	7
W-2s .....	7
941s .....	7
990s .....	P
5500s .....	P

Medicaid Payment Reports .....	7
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**Key:** "P" means the record should be retained permanently "AT" means after termination  
"AD" means after disposal of underlying asset



**PB&J FAMILY SERVICES, INC.  
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED  
JUNE 30, 2024, AND 2023**

**PB&J FAMILY SERVICES, INC.  
AND AFFILIATE**

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**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
OFFICIAL ROSTER (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

**BOARD OF DIRECTORS**

Angie Vachio	President
Barbara Bergman	Vice-President
Ramona Lujan	Treasurer
Stewart Duban	Secretary
Angela Adam	Member
Lawrence Apodaca	Member
Heidi Brown	Member
Julio Chavez	Member
Caroline Dailey	Member
Megan Fino-Velasquez	Member
Luis Hernandez Jr.	Member
Louise Kahn	Member
Peter Klages	Member
Debbie O'Malley	Member
Vinita Paul	Member
Anna Torres	Member
Isaiah Torres	Member

**ADMINISTRATION**

Jennifer Thompson	Executive Director
Miriam Flores	Finance Manager



## Independent Auditors' Report

To the Board of Directors of  
PB&J Family Services, Inc.  
Albuquerque, New Mexico

### Opinion

We have audited the accompanying consolidated financial statements of PB&J Family Services, Inc. (a nonprofit organization), and affiliate (the Organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization and affiliate as of June 30, 2024, and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



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(505) 822 5106



## **Auditors' 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 auditors' 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 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 consolidated 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2025, 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 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 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.

*JKM, LLC*  
TKM, LLC  
Auditors | Advisors | CPAs

Albuquerque, New Mexico  
September 18, 2025

## **CONSOLIDATED FINANCIAL STATEMENTS**

**PB&J FAMILY SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30,**

<b>ASSETS</b>	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash and Cash Equivalents		
Without Donor Restrictions	\$ 2,302,864	\$ 606,157
With Donor Restrictions	239,492	72,770
Accounts Receivable	546,669	430,368
Other Receivables	3,548	3,548
Prepaid Expenses	<u>69,735</u>	<u>44,293</u>
<b>Total Current Assets</b>	<b><u>3,162,308</u></b>	<b><u>1,157,136</u></b>
Noncurrent Assets:		
Investment - Permanent Endowment (Donor Restricted)	40,004	37,390
Investment - Permanent Endowment (Board Designated)	93,343	87,243
Other Investments, Net	1,000	1,000
Property and Equipment, Net	301,600	152,514
Right-to-Use Asset, Finance Lease	<u>27,225</u>	<u>38,490</u>
<b>Total Noncurrent Assets</b>	<b><u>463,172</u></b>	<b><u>316,637</u></b>
<b>Total Assets</b>	<b><u>\$ 3,625,480</u></b>	<b><u>\$ 1,473,773</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts Payable	\$ 88,856	\$ 97,584
Accrued Expenses	212,875	190,435
Finance Lease Liability, Current	<u>11,907</u>	<u>10,567</u>
<b>Total Current Liabilities</b>	<b><u>313,638</u></b>	<b><u>298,586</u></b>
Noncurrent Liabilities:		
Finance Lease Liability, Noncurrent	<u>19,499</u>	<u>31,406</u>
<b>Total Noncurrent Liabilities</b>	<b><u>19,499</u></b>	<b><u>31,406</u></b>
<b>Total Liabilities</b>	<b><u>333,137</u></b>	<b><u>329,992</u></b>
 <b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	2,919,504	946,378
Board Designated - Permanent Endowment	93,343	87,243
With Donor Restrictions	<u>279,496</u>	<u>110,160</u>
<b>Total Net Assets</b>	<b><u>3,292,343</u></b>	<b><u>1,143,781</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 3,625,480</u></b>	<b><u>\$ 1,473,773</u></b>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE, GAINS AND SUPPORT</b>			
Contracts and Grants	\$ 4,537,567	\$ -	\$ 4,537,567
Contributions	2,188,235	259,795	2,448,030
Noncash Exchange of Services	235,324	-	235,324
Gain (Loss) on Investment	(1,702)	2,614	912
Miscellaneous Income	7,119	-	7,119
<b>Total Revenue, Gains and Support</b>	<b>6,966,543</b>	<b>262,409</b>	<b>7,228,952</b>
 <b>Net Assets Released from Restrictions</b>	 93,073	 (93,073)	 -
 <b>Total Revenue, Gains and Support</b>	 7,059,616	 169,336	 7,228,952
 <b>EXPENSES</b>			
Program Services			
Preschool	2,715,276	-	2,715,276
Home-Based	1,075,163	-	1,075,163
ImPACT	744,374	-	744,374
<b>Total Program Services</b>	<b>4,534,812</b>	<b>-</b>	<b>4,534,812</b>
 Support Services			
Property Management	1,257	-	1,257
Management and General	519,076	-	519,076
Fundraising	25,245	-	25,245
<b>Total Support Services</b>	<b>545,578</b>	<b>-</b>	<b>545,578</b>
<b>Total Expenses</b>	<b>5,080,390</b>	<b>-</b>	<b>5,080,390</b>
 <b>Net Increase (Decrease) in Net Assets</b>	 1,979,226	 169,336	 2,148,562
Net Assets, Beginning of Year	1,033,621	110,160	1,143,781
<b>Net Assets, End of Year</b>	<b>\$ 3,012,847</b>	<b>\$ 279,496</b>	<b>\$ 3,292,343</b>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE, GAINS AND SUPPORT</b>			
Contracts and Grants	\$ 3,666,847	\$ -	\$ 3,666,847
Contributions	274,101	25,092	299,193
Noncash Exchange of Services	231,411	-	231,411
Gain (Loss) on Investment	(1,032)	2,266	1,234
Miscellaneous Income	30,553	-	30,553
<b>Total Revenue, Gains and Support</b>	<b>4,201,880</b>	<b>27,358</b>	<b>4,229,238</b>
 <b>Net Assets Released from Restrictions</b>	 21,645	 (21,645)	 -
 <b>Total Revenue, Gains and Support</b>	 4,223,525	 5,713	 4,229,238
 <b>EXPENSES</b>			
Program Services			
Preschool	2,803,895	-	2,803,895
Home-Based	980,086	-	980,086
ImPACT	498,288	-	498,288
<b>Total Program Services</b>	<b>4,282,269</b>	<b>-</b>	<b>4,282,269</b>
 Support Services			
Property Management	1,257	-	1,257
Management and General	538,054	-	538,054
Fundraising	97,895	-	97,895
<b>Total Support Services</b>	<b>637,206</b>	<b>-</b>	<b>637,206</b>
<b>Total Expenses</b>	<b>4,919,475</b>	<b>-</b>	<b>4,919,475</b>
 <b>Net Increase (Decrease) in Net Assets</b>	 (695,950)	 5,713	 (690,237)
Net Assets, Beginning of Year	1,729,571	104,447	1,834,018
<b>Net Assets, End of Year</b>	<b>\$ 1,033,621</b>	<b>\$ 110,160</b>	<b>\$ 1,143,781</b>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services			Support Services			Total
	Preschool	Home-Based	ImPACT	Property Management	Management and General	Fundraising	
<b>Expenses</b>							
Salaries	\$ 1,768,418	\$ 712,041	\$ 492,119	\$ -	\$ 131,580	\$ 1,555	\$ 3,105,713
Payroll Taxes	155,305	93,780	54,414	-	-	-	303,498
Employee Benefits	168,369	59,433	41,920	-	17,378	-	287,100
<b>Total Personnel</b>	<u>2,092,092</u>	<u>865,254</u>	<u>588,453</u>	<u>-</u>	<u>148,958</u>	<u>1,555</u>	<u>3,696,311</u>
In-kind Rent	183,509	15,943	15,943	-	19,929	-	235,324
Building and Occupancy	115,261	47,385	6,181	-	34,784	-	203,611
Supplies	124,992	22,183	29,371	-	3,855	767	181,168
Administrative & Support Fee	-	-	-	-	227,645	-	227,645
Family Support	9,827	43,408	33,478	-	4,044	-	90,757
Professional Services	5,672	-	12,183	-	60,028	3,990	81,873
Travel	51,641	33,680	32,234	-	553	60	118,168
Miscellaneous	3,797	2,913	6,048	-	6,431	-	19,189
Insurance	50,149	20,569	2,869	-	1,146	-	74,733
Repairs and Maintenance	15,852	25	-	-	4,721	-	20,598
Education and Training	3,686	9,646	3,033	-	2,498	-	18,863
Printing and Publishing	8,447	2,606	1,994	-	391	-	13,438
Subscriptions and Publications	2,435	10,682	9,573	-	1,674	18,873	43,237
Equipment Rental	3,440	48	43	-	1,922	-	5,453
Postage and Shipping	2,533	821	586	-	497	-	4,437
<b>Total Other Expenses</b>	<u>581,241</u>	<u>209,909</u>	<u>153,536</u>	<u>-</u>	<u>370,118</u>	<u>23,690</u>	<u>1,338,494</u>
Depreciation and Amortization	41,943	-	2,385	1,257	-	-	45,585
Interest	-	-	-	-	-	-	-
<b>Total Expenses</b>	<u>\$ 2,715,276</u>	<u>\$ 1,075,163</u>	<u>\$ 744,374</u>	<u>\$ 1,257</u>	<u>\$ 519,076</u>	<u>\$ 25,245</u>	<u>\$ 5,080,390</u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services			Support Services			Total
	Preschool	Home-Based	ImPACT	Property Management	Management and General	Fundraising	
<b>Expenses</b>							
Salaries	\$ 1,845,242	\$ 632,545	\$ 349,203	\$ -	\$ 270,031	\$ 22,822	\$ 3,119,843
Payroll Taxes	148,604	83,292	37,482	-	33,632	2,638	305,648
Employee Benefits	143,688	57,086	24,525	-	20,501	600	246,400
<b>Total Personnel</b>	<u>2,137,534</u>	<u>772,923</u>	<u>411,210</u>	<u>-</u>	<u>324,164</u>	<u>26,060</u>	<u>3,671,891</u>
In-kind Rent	192,696	21,973	16,742	-	-	-	231,411
Building and Occupancy	145,663	37,167	13,049	-	119,387	-	315,266
Supplies	127,620	25,550	8,962	-	6,646	2,011	170,789
Family Support	13,405	33,693	18,060	-	-	-	65,158
Professional Services	17,825	888	135	-	44,498	4,638	67,984
Travel	45,946	20,857	18,638	-	503	22	85,966
Miscellaneous	7,312	30,107	3,523	-	12,013	30,935	83,890
Insurance	48,767	14,988	2,593	-	6,747	-	73,095
Repairs and Maintenance	13,843	-	126	-	4,245	-	18,214
Education and Training	6,896	19,282	2,222	-	868	495	29,763
Printing and Publication	5,280	1,217	-	-	1,228	-	7,725
Subscriptions and Publications	874	159	478	-	14,125	31,545	47,181
Equipment Rental	2,327	-	-	-	1,914	-	4,241
Postage and Shipping	1,489	382	165	-	807	2,189	5,032
<b>Total Other Expenses</b>	<u>629,943</u>	<u>206,263</u>	<u>84,693</u>	<u>-</u>	<u>212,981</u>	<u>71,835</u>	<u>1,205,715</u>
Depreciation and Amortization	32,513	-	2,385	1,257	-	-	36,155
Interest	3,905	900	-	-	909	-	5,714
<b>Total Expenses</b>	<u>\$ 2,803,895</u>	<u>\$ 980,086</u>	<u>\$ 498,288</u>	<u>\$ 1,257</u>	<u>\$ 538,054</u>	<u>\$ 97,895</u>	<u>\$ 4,919,475</u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,**

	2024	2023
<b>Cash Flow From Operating Activities</b>		
Cash Received From Grants and Contracts	\$ 4,421,266	\$ 3,582,524
Cash Received From Contributions	2,448,030	299,193
Cash Received From Other Sources	7,119	30,553
Cash Paid to Employees and Suppliers	(4,811,211)	(4,593,291)
Interest Paid	-	(5,714)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>2,065,204</b>	<b>(686,735)</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Equipment	(187,790)	37,763
Purchase of Endowment Investments	69,352	(12,542)
Sale of Endowment Investments	-	23
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(118,438)</b>	<b>25,244</b>
<b>Cash Flow From Financing Activities</b>		
Finance Lease Payments	(10,567)	(9,378)
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>(10,567)</b>	<b>(9,378)</b>
<b>Net Increase (Decrease) - Cash and Cash Equivalents</b>	<b>1,936,199</b>	<b>(670,869)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>606,157</b>	<b>1,349,796</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>2,542,356</b>	<b>678,927</b>
<b>Less: Donor Restrictions</b>	<b>(239,492)</b>	<b>(72,770)</b>
<b>Net Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,302,864</b>	<b>\$ 606,157</b>
<b>Reconciliation of Change in Net Assets to Net Cash:</b>		
Change in Net Assets	\$ 2,148,562	\$ (690,237)
Depreciation and Amortization	45,585	36,155
Net Realized / Unrealized Gains / Losses on Investments	(912)	(1,234)
<b>Change in:</b>		
Accounts Receivable	(116,301)	(83,349)
Other Receivables	-	(974)
Prepaid Expenses	(25,442)	9,472
Accounts Payable	(8,728)	27,644
Accrued Expenses	22,440	15,788
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 2,065,204</b>	<b>\$ (686,735)</b>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization & Nature of Operations

PB&J Family Services, Inc. (PB&J) was established in 1972 in Albuquerque, NM as a non-profit organization focused on helping to create a community of happy and healthy families. The organization continues its mission of child abuse prevention through parent education and case management services. PB&J continues to innovate and meet the needs of the community that it serves through comprehensive programs and services. The following programs and services are representative of the work done at PB&J.

*Preschool* - Center based programs such as NM Pre-K, Children's Support Group, and Parenting Program are delivered at the offices of PB&J. These programs serve children and families with education meant to develop new skills for a brighter future.

*ImPACT* - PB&J delivers services to incarcerated parents and youth through programs such as Juvenile Community Corrections and the Metro Detention Center program. These programs are intended to reach an underserved population with education, life skills, case management, and resource referrals.

*Home-Based* - PB&J offers home based programs such as Home Visiting, Family Infant Toddler Program, and Community Based Prevention, Intervention, and Reunification. The home-based programs at PB&J are meant to decrease barriers for families and deliver services in the family familiar environment. These programs offer parent education, case management, child development, and resource referrals to the families that they serve.

Peanut Butter & Jelly, Inc. Property Corporation (the Corporation) is a New Mexico not-for-profit corporation established in 1994. The Corporation was established to provide management of property specially designed for use by client families services to meet their physical, social emotional and psychological needs, and to promote their health, security, happiness and usefulness. The Corporation is an affiliate of PB&J.

Principles of Consolidation

PB&J is financially interrelated through control and economic interest to another not-for-profit organization, Peanut Butter & Jelly, Inc. Property Corporation (the "Corporation"). Generally accepted accounting principles in the United States of America require the financial statements of PB&J and the Corporation to be consolidated (the "Organization"). All significant inter-organization accounts and transactions have been eliminated.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

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

***Net Assets Without Donor Restrictions*** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s Board of Directors may designate assets without assets without restrictions for specific operational purposes from time to time. The net assets without donor restrictions represent the investment in undesignated assets, investment in designated assets, and amounts invested in property and equipment, less accumulated depreciation and amortization and any related debt.

***Net Assets with Donor Restrictions*** – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passages 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 revenue when the assets are placed in service. Contributions restricted by donors are reported as increases in net assets without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all short-term highly liquid instruments to be cash equivalents provided they are both readily convertible to cash and had an original maturity of three months or less when purchased.

Accounts Receivable

Accounts receivable is stated at face value. Management uses historical experience applied to an aging of accounts. Accounts receivables are written off when deemed uncollectible, when all efforts result in non-collection. No interest is charged on late receivables. Receivables are considered past due if the balance is outstanding for more than 90 days.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Allowance for Doubtful Accounts

An allowance for doubtful accounts has not been provided as management believes that all receivables are fully collectible.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional and legally enforceable. If a donor states an intent to give rather than a promise to give, contributions are recorded in the year payment is received. Contributions that are restricted by donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Pledges receivable were \$0 and \$0 at June 30, 2024 and 2023, respectively.

Financial Instruments

The Organization's financial instruments consist of accounts receivable and accounts payable. It is management's opinion that the Organization is not exposed to significant interest rate or credit risks arising from these instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying value. The maximum potential loss from credit risk is equal to the carrying value. The Organization does not require collateral on these financial instruments.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the estimated fair value on the date of donation. Expenditures for property and equipment in excess of \$1,000 or more are capitalized and depreciated on a straight-line basis over their estimated useful life. Replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are expensed as incurred. Lives of property and equipment are as follows:

Building and Leasehold Improvements	15-30 years
Furniture and Equipment	3-15 years
Vehicles	3-5 years

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contract Service Revenue

The Organization receives revenue from federal, state and local contracts on a cost reimbursement, lump sum and a per-unit-served basis. These contracts and grants are for services performed by the Organization and, accordingly have been accounted for as exchange type transactions. A majority of these contracts are with various agencies of the State of New Mexico and make up a significant portion of the Organization's revenues.

Contracts and grants revenue are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Organization recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured. Income from service fees received in advance are deferred and recognized over the periods to which the dates and fees relate.

Contributions Revenue

Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give are recorded at the present value of their net realizable value, using risk -free interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Grants and contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. All grant receivables are considered collectable. Grants and other contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, or (ii) contracts for which the amount of revenue recognized is based on the amount to which the Organization has the right to invoice the customer for services performed.

Unearned Revenue

Occasionally, the Organization will receive funding that contains specific conditions that must be met by the Organization or the funds will revert back to the grantor or source. Because these funds are conditional, the funding is recorded as unearned revenue and deferred until such time as the conditions are met. At that point in time, the contract, grant or contribution income is recognized. As of June 30, 2024, and 2023 there were unearned revenues of \$0 and \$0, respectively.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Taxes

PB&J is exempt from income taxes under Section 501(c)(3). The Corporation is exempt under Section 501(c)(2), of the Internal Revenue Code. Both organizations have been designated as other than private foundations.

The Organization would record a liability for uncertain tax positions when it became probable that a loss has been incurred and the amount can be reasonably estimated. Interest would be recognized and accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. Expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings are continually evaluated. Expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings are continually evaluated. As of June 30, 2024, and 2023, no liabilities for uncertain tax positions have been recorded. The Organization's tax returns for the fiscal years ended 2021 to 2024, by statute, may be subject to normal federal and state examination.

Investments

Endowment funds are invested with the Albuquerque Community Foundation in a pooled fund of marketable securities valued at net realizable value, as determined by quoted prices as provided by the investment manager, who pools all funds and allocates investments activity to each fund accordingly. All investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Beneficial Interest in Assets Held by Community Foundation

On November 7, 2007, the Organization established an "Agency Endowment Fund" (Agreement) at the Albuquerque Community Foundation (Foundation) with an initial contribution of \$50,000 from the Organization's funding sources and another \$10,010 from donors of Angie's Legacy. The Agreement and all contributions made to the fund are irrevocable. Under the terms of the Agreement, the Foundation may substitute another beneficiary in place of the Organization if the Organization ceases to be a qualified charitable organization. The Board of Trustees of the Foundation can modify the provisions of the Agreement designating use of the endowment if the purposes for which it was created ever become obsolete, incapable of fulfillment, or inconsistent with the charitable purposes of the Foundation. Annual distributions are calculated in accordance with the Foundation's distribution policy and can be used by the Organization or can be added to the principal of the endowment.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Beneficial Interest in Assets Held by Community Foundation (Continued)

*Accounting Standards Codification (ASC) 958-605* - Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others, establishes standards for transactions in which a donor transfers assets to a not-for-profit organization or charitable trust that accepts the contribution with the stipulation that the recipient organization use those assets, the return on investment of those assets, or both, on behalf of the beneficiary that is specified by the donor. ASC 958-605 specifically requires a not-for-profit organization that establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund and grants the community foundation unilateral variance power must account for the transfer of such assets as an asset on its financial statements. Accordingly, the Organization has recognized the transfer to the Foundation of the \$50,000 as an asset called “permanent endowment”, included with other assets in the statements of financial position. The donations to Angie’s Legacy of \$10,010 were given to the Organization with the intent that the Organization would be the beneficiary of any earnings. Variance power was not explicitly granted by the original donors to the community foundation, and so these funds are also considered an asset of the Organization.

Endowment Classification

The State of New Mexico passed House Bill 454, effective July 1, 2009, requiring New Mexico organizations with endowments to adhere to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The law states that a not-for-profit organization that is subject to an enacted version of the UPMIFA shall classify a portion of a donor-restricted endowment fund of perpetual duration as permanently restricted net assets. The amount classified as permanently restricted shall be either a) the amount of the fund that must be retained permanently in accordance with explicit donor stipulations or b) the amount of the fund that, in the absence of explicit donor stipulations, the Organization’s governing board determines must be retained permanently consistent with the relevant law.

The original donors of the endowment funds did not explicitly state that the funds were to remain in perpetuity, and the Organization’s board of directors interpreted New Mexico’s UPMIFA law and do not conclude that the State of New Mexico requires endowment funds to remain in perpetuity in lieu of explicit donor stipulations. Accordingly, the Organization has classified the donor endowment funds as temporarily restricted, until the funds are used for their intended purpose, and have included the endowment with other long-term assets in the statements of financial position.

Donated Services and Materials

The Organization recognizes donated services that require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Such donations are reported at their estimated fair market value at the date of the donation as unrestricted support. Donated materials are recorded at the fair market value of the materials on the date of donation.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional Expense Allocations

Expenses are charged directly to program and supporting services based on specific identification, when possible. Costs benefiting more than one function are allocated based on measures such as management's estimates of time spent, square footage, etc. Significant expenses that are at least partially allocated include occupancy, supplies, travel, miscellaneous, and insurance. The allocation method for these costs is based on time and effort.

Operating Cycle

The majority of the Organization's income is derived from state and federal contracts and grants. The lengths of the contracts vary, but they are generally one year or less.

**NOTE 2. CASH AND CASH EQUIVALENTS**

As of June 30, 2024, and 2023, the carrying amount of the Organization's cash was \$2,542,356 and \$678,927, respectively, which includes \$300 cash on hand for both years.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and investments. The Organization maintains its available cash in a long-established financial institution. At times during the year, the Organization's cash deposits may exceed Federal Deposit Insurance Corporation (FDIC) insurance limits. The accounts were insured up to \$250,000 under FDIC coverage per customer through June 30, 2024, and 2023. The Organization's cash balances exceeded FDIC limits as follows at June 30,:

<u>Institution</u>	<u>2024</u>	<u>2023</u>
Wells Fargo	\$ 2,542,056	\$ 678,627
Petty Cash	300	300
<b>Total Reconciled Cash Balances</b>	<b><u>\$ 2,542,356</u></b>	<b><u>\$ 678,927</u></b>
Bank Balance	\$ 2,573,908	\$ 693,559
Less: Insured by FDIC	<u>(250,000)</u>	<u>(250,000)</u>
<b>Uncollateralized and Uninsured Balances</b>	<b><u>\$ 2,323,908</u></b>	<b><u>\$ 443,559</u></b>

The Organization's cash balances included donor restricted cash of \$ 239,492 and \$72,770 at June 30, 2024 and 2023, respectively.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 3. INVESTMENTS**

***Investment Foundation***

The Albuquerque Community Foundation (ACF) manages the investments for the Organization. ACF creates and manages a pooled investment fund consisting of equity, U.S. Government Securities, bond mutual funds and cash.

	<b>Target %</b>	<b>Range %</b>
Total Equity	50%	40 - 60%
Total Fixed Income / Cash	12%	2 - 22%
Total Real Estate	10%	5 - 15%
Total Real Assets	5%	0 - 15%
Total Multi-Strategy	10%	0 - 20%
Total Private Equity	13%	3 - 23%
<b>Total</b>	100%	100%

The Organization is subject to investment credit risk. Investment credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations.

***FAIR VALUE MEASUREMENTS***

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

***Basis of Fair Value Measurement***

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Organization has the ability to access.

**Level 2** - Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 3. INVESTMENTS (CONTINUED)**

Investments, at fair value, consist of the following as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
Public Equity	\$ 55,834	\$ -	\$ -	\$ 55,834
Private Equity	-	-	14,669	14,669
Fixed Income	16,182	-	-	16,182
Real Assets	6,170	-	-	6,170
Real Estate	-	-	17,822	17,822
Multi-Strategy	-	-	20,252	20,252
Cash Equivalents	2,418	-	-	2,418
Other	-	-	1,000	1,000
<b>Total Investments at Fair Market Value</b>	<u>\$ 80,604</u>	<u>\$ -</u>	<u>\$ 53,743</u>	<u>\$ 134,347</u>

Investments, at fair value, consist of the following as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
Public Equity	\$ 53,610	\$ -	\$ -	\$ 53,610
Private Equity	-	-	13,918	13,918
Fixed Income	14,454	-	-	14,454
Real Assets	5,616	-	-	5,616
Real Estate	-	-	18,733	18,733
Multi-Strategy	-	-	18,009	18,009
Cash Equivalents	293	-	-	293
Other	-	-	1,000	1,000
<b>Total Investments at Fair Market Value</b>	<u>\$ 73,973</u>	<u>\$ -</u>	<u>\$ 51,660</u>	<u>\$ 125,633</u>

The Organization's other investments consists of the following at June 30,

<u>Type</u>	<u>2024</u>	<u>2023</u>
Cemetary Plot	\$ 1,000	\$ 1,000
Interest in Oil Wells	25,000	25,000
Less: Depletion in Oil Wells	(25,000)	(25,000)
<b>Total Other Investments</b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

There was no depletion expense for the years ended June 30, 2024, and 2023. The carrying value of investments above approximates fair value.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 4. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30, 2024:

	<u>Balance at 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer</u>	<u>Balance at 6/30/2024</u>
<b>Property and Equipment Not Being Depreciated:</b>					
Land	\$ 67,306	\$ -	\$ -	\$ -	\$ 67,306
<b>Total Property and Equipment Not Being Depreciated</b>	<u>67,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,306</u>
<b>Property and Equipment Being Depreciated:</b>					
Buildings and Leasehold Improvements	757,417	9,083	-	-	766,500
Furniture and Equipment	652,263	95,878	4,509	-	743,632
Vehicles	459,360	82,829	-	-	542,189
<b>Total Property and Equipment Being Depreciated</b>	<u>1,869,040</u>	<u>187,790</u>	<u>4,509</u>	<u>-</u>	<u>2,052,321</u>
Less: Accumulated Depreciation	<u>(1,783,832)</u>	<u>(34,195)</u>	<u>-</u>	<u>-</u>	<u>(1,818,027)</u>
<b>Property and Equipment, Net</b>	<u>\$ 152,514</u>	<u>\$ 153,595</u>	<u>\$ 4,509</u>	<u>\$ -</u>	<u>\$ 301,600</u>

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

	<u>Balance at 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer</u>	<u>Balance at 6/30/2023</u>
<b>Property and Equipment Not Being Depreciated:</b>					
Land	\$ 67,306	\$ -	\$ -	\$ -	\$ 67,306
<b>Total Property and Equipment Not Being Depreciated</b>	<u>67,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,306</u>
<b>Property and Equipment Being Depreciated:</b>					
Buildings and Leasehold Improvements	752,443	4,974	-	-	757,417
Furniture and Equipment	675,800	32,789	-	(56,326)	652,263
Vehicles	459,360	-	-	-	459,360
<b>Total Property and Equipment Being Depreciated</b>	<u>1,887,603</u>	<u>37,763</u>	<u>-</u>	<u>(56,326)</u>	<u>1,869,040</u>
Less: Accumulated Depreciation	<u>(1,765,513)</u>	<u>(36,155)</u>	<u>-</u>	<u>17,836</u>	<u>(1,783,832)</u>
<b>Property and Equipment, Net</b>	<u>\$ 189,396</u>	<u>\$ 1,608</u>	<u>\$ -</u>	<u>\$ (38,490)</u>	<u>\$ 152,514</u>

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 4. PROPERTY AND EQUIPMENT (CONTINUED)**

As a result of the implementation of FASB 2016-02, Leases, the Organization's equipment lease previously presented as property and equipment in the amount of \$56,326 has been reclassified as lease right-to-use asset for the year ended June 30, 2023.

Vans with net book values in the amount of \$80,068 as of June 30, 2024, and 2023, are restricted as to their use as designated by granting agencies under government contracts and are included in total vehicle cost. Included in the original vehicles cost above are in-kind donations from the New Mexico State Highway and Transportation Department which represents 80% of the cost of the vans, or \$178,129.

Depreciation expense was \$34,195 and \$36,155 for the years ended June 30, 2024, and 2023, respectively.

**NOTE 5. LEASE RIGHT-TO-USE ASSETS**

Lease Right-to-Use Assets consisted of the following at June 30, 2024 and 2023:

	<b>Balance at 7/1/2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/2024</b>
<b>Right of Use Assets, Finance Lease:</b>				
Finance Lease - Equipment	\$ 56,326	\$ -	\$ -	\$ 56,326
<b>Total Right of Use Assets, Finance Lease</b>	<u>56,326</u>	<u>-</u>	<u>-</u>	<u>56,326</u>
<b>Less: Accumulated Amortization for:</b>				
Finance Lease - Equipment	(17,836)	(11,265)	-	(29,101)
<b>Total Accumulated Amortization</b>	<u>(17,836)</u>	<u>(11,265)</u>	<u>-</u>	<u>(29,101)</u>
<b>Right of Use Assets, Finance Lease, Net</b>	<u>\$ 38,490</u>	<u>\$ (11,265)</u>	<u>\$ -</u>	<u>\$ 27,225</u>
	<b>Balance at 7/1/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/2023</b>
<b>Right of Use Assets, Finance Lease:</b>				
Finance Lease - Equipment	\$ 56,326	\$ -	\$ -	\$ 56,326
<b>Total Right of Use Assets, Finance Lease</b>	<u>56,326</u>	<u>-</u>	<u>-</u>	<u>56,326</u>
<b>Less: Accumulated Amortization for:</b>				
Finance Lease - Equipment	(6,571)	(11,265)	-	(17,836)
<b>Total Accumulated Amortization</b>	<u>(6,571)</u>	<u>(11,265)</u>	<u>-</u>	<u>(17,836)</u>
<b>Right of Use Assets, Finance Lease, Net</b>	<u>\$ 49,755</u>	<u>\$ (11,265)</u>	<u>\$ -</u>	<u>\$ 38,490</u>

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 5. LEASE RIGHT-TO-USE ASSETS (CONTINUED)**

Amortization expense was \$11,265 and \$11,265, for the years ended June 30, 2024 and 2023, respectively, and is included with depreciation expense in the statement of functional expenses.

**NOTE 6. LEASE LIABILITY**

Finance Leases

As a result of the implementation of FASB 2016-02, Leases, the Organization's lease previously presented as a capital lease in the amount of \$51,351 has been reclassified as a finance lease liability for the year ended June 30, 2023.

	<b>Balance at 7/1/2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/2024</b>	<b>Due Within One Year</b>
Finance Lease Liability	\$ 41,973	\$ -	\$ (10,567)	\$ 31,406	\$ 11,907
	<u>\$ 41,973</u>	<u>\$ -</u>	<u>\$ (10,567)</u>	<u>\$ 31,406</u>	<u>\$ 11,907</u>
	<b>Balance at 7/1/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/2023</b>	<b>Due Within One Year</b>
Finance Lease Liability	\$ 51,351	\$ -	\$ (9,378)	\$ 41,973	\$ 10,567
	<u>\$ 51,351</u>	<u>\$ -</u>	<u>\$ (9,378)</u>	<u>\$ 41,973</u>	<u>\$ 10,567</u>

The Organization leases equipment under a finance lease arrangement. There is no escalation clause for the equipment lease. There are no variable payments that are not included in the lease liability calculation. There are no residual value guarantees that are not included in the lease liability calculation. The Organization used interest rate of 12.00% stated in the lease agreement to calculate the present value of the equipment.

The future payment obligations on the lease is as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 11,907	\$ 3,128	\$ 15,035
2026	13,418	1,618	15,036
2027	6,081	184	6,265
2028	-	-	-
2029	-	-	-
<b>Total</b>	<u>\$ 31,406</u>	<u>\$ 4,930</u>	<u>\$ 36,336</u>

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 7. RETIREMENT PLAN**

PB&J maintains a qualified 403(b) retirement plan. Eligible employees may defer a portion of their salary under this plan. At the discretion of the Board of Directors, the PB&J contributes a discretionary match of salaries for all eligible employees. The plan has no age requirement and employees may participate immediately. Employer matching is 100% vested after two years of service. The total employer contributions made for the years ended June 30, 2024, and June 30, 2023, was \$11,990 and \$13,111, respectively, with no additional discretionary contributions for either year.

**NOTE 8. NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED**

Board designated net assets include an endowment established in 2007 for investment purposes. The balance in the endowment as of June 30, 2024, and 2023 was \$93,343 and \$87,243, respectively.

**NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	<u>2024</u>	<u>2023</u>
<b>Subject to expenditure for specified purpose:</b>		
ImPACT Program	\$ 29,220	\$ 31,605
Angie's Legacy - Endowment	40,004	37,390
Wilderness Program	6,710	6,827
Holiday Wish	30,212	3,440
Kerri's Fund	937	937
Keeping the Lights on Program	2,012	2,235
ABQ SV Preschool	21,473	19,582
Bernalillo Preschool	7,978	1,478
SE Heights Preschool	9,166	6,666
Outdoor Equity Fund	33,863	-
Robert T. Keeler Foundation	97,921	-
<b>Total Net Assets with Donor Restrictions</b>	<u>\$ 279,496</u>	<u>\$ 110,160</u>

**NOTE 10. ENDOWMENT FUNDS**

Since June 30, 2009, the Organization has followed the Albuquerque Community Foundation's policies with regard to investing and spending. The Albuquerque Community Foundation's policies stipulate that annual distributions will be calculated (not to exceed 5% of the value of the endowment) for PB&J's spending. However, PB&J can make the determination to leave any annual distributions in the endowment to continue to grow. As of June 30, 2024, PB&J has not taken an annual distribution from the endowment funds. If funds were to be taken as a distribution, the Board of Directors would make the recommendation as to the purpose of the funds to be spent.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 10. ENDOWMENT FUNDS (CONTINUED)**

Changes in endowment net assets are as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Endowment Net Assets, June 30, 2022</b>	\$ 81,957	\$ 35,124	\$ 117,081
Investment Income, net of expenses	92	40	132
Net Appreciation (Realized and Unrealized)	5,194	2,226	7,420
Change in Endowment Net Assets	<u>5,286</u>	<u>2,266</u>	<u>7,552</u>
<b>Endowment Net Assets, June 30, 2023</b>	<u>\$ 87,243</u>	<u>\$ 37,390</u>	<u>\$ 124,633</u>
Investment Income, net of expenses	580	248	828
Net Appreciation (Realized and Unrealized)	5,520	2,366	7,886
Change in Endowment Net Assets	<u>6,100</u>	<u>2,614</u>	<u>8,714</u>
<b>Endowment Net Assets, June 30, 2024</b>	<u>\$ 93,343</u>	<u>\$ 40,004</u>	<u>\$ 133,347</u>

**NOTE 11. NONCASH EXCHANGE OF SERVICES**

PB&J has two primary locations. A portion of the main headquarters is leased from the County of Bernalillo with a portion owned by PB&J. The lease, dated July 1, 2005, is for a term of 5 years with options to renew the lease for up to an additional 25 years. In July 2010, the first option to renew for the first five-year term was approved. In July 2015, the second option to renew for an additional five-year term was approved. The terms of the lease call for annual rent of \$83,502. The rent is to be paid with cash equivalent services provided by PB&J for disabled and indigent residents of Bernalillo County. Any shortfall in provided services is to be paid in cash by PB&J to the County of Bernalillo.

PB&J opened a location in the Southeast Heights area of Albuquerque, NM in September 2011 and entered into a facility agreement with Bernalillo County. The lease is for a term of 5 years, with one additional five-year option which was renewed in 2017. The annual rent is \$78,750, and is to be paid with cash equivalent services provided by PB&J. Any shortfall is to be paid in cash by PB&J. In October 2022, the Organization renewed this lease for an initial term of 25 years. The initial annual payment is \$97,500 and increases by 3% annually on the anniversary date of the lease.

PB&J rents facilities from the Town of Bernalillo, NM under a lease that began in July 2014. The lease is for a term of 5 years. A new one-year lease for additional space began on July 1, 2023. A part of the consideration for these arrangements is the provision of space in exchange for the provision of services at the facilities. The annual rent on the new lease is \$69,492, and is to be paid with \$17,364 in cash and the remainder in cash equivalent services provided by PB&J. Any short fall in services provided by PB&J is to be paid in cash.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 11. NONCASH EXCHANGE OF SERVICES (CONTINUED)**

For the years ending June 30, 2024, and 2023, PB&J received and recognized \$235,324 and \$231,411, respectively, in in-kind rent in exchange for services. The services provided to the County of Bernalillo and the Town of Bernalillo were sufficient to cover the required annual services of the agreements.

Future minimum rents for all noncash exchange of services are as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2025	\$ 186,187
2026	189,267
2027	192,440
2028	195,708
2029	199,074
Thereafter	3,337,806
<b>Total</b>	<b>\$ 4,300,482</b>

**NOTE 13. AVAILABILITY AND LIQUIDITY**

The following table reflects the Organization's financial assets reduced by amounts not available for general use within one year of that date because of donor-imposed restrictions or internal designations at June 30,:

	<b>2024</b>	<b>2023</b>
Cash and Cash Equivalents	\$ 2,542,356	\$ 678,927
Receivables	550,217	433,916
<b>Subtotal</b>	3,092,573	1,112,843
Net Assets With Donor Restrictions (Less Endowment)	(239,492)	(72,770)
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b>\$ 2,853,081</b>	<b>\$ 1,040,073</b>

The available resources would cover more than three months of expenditures even if no revenue was received during that time period. The majority of the Organization's revenues come from contracts with the State of New Mexico, which in some cases pass through from the federal government.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 14. ECONOMIC DEPENDENCE**

PB&J has contracts with various State and Federal agencies. Significant revenues of PB&J include funding from New Mexico Children Youth and Families Department (CYFD) and Medicaid. Revenues from these sources were approximately 40% and 58% for the years ended June 30, 2024, and 2023, respectively.

**NOTE 15. SUBSEQUENT EVENTS**

Management evaluated all activity through September 18, 2025, the date the financial statements were available to be issued. There are no other matters identified for recognition in the financial statements at June 30, 2024.

## **COMPLIANCE SECTION**



## 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

To the Board of Directors of  
PB&J Family Services, Inc.  
Albuquerque, New Mexico

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 PB&J Family Services, Inc. (a nonprofit organization) and affiliate (the Organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 18, 2025.

### 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 opinions on the consolidated financial statements, but not for the purpose of expressing an opinion of 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, nor 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.



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## 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.

*TKM, LLC*  
TKM, LLC  
Auditors | Advisors | CPAs

Albuquerque, New Mexico  
September 18, 2025

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2024**

**Section I. Summary of Audit Results**

Financial Statements:

- |   |            |
|---|------------|
| 1. Type of Auditors' Report Issued:                                   | Unmodified |
| 2. Internal Control Over Financial Reporting:                         |            |
| a. Material weaknesses identified?                                    | No         |
| b. Significant deficiencies identified?                               | No         |
| c. Noncompliance material to consolidated financial statements noted? | No         |



**PB&J**  
FAMILY SERVICES

September 29th, 2025

New Mexico Department of Transportation  
1120 Cerrillos Road  
Santa Fe, NM 87504-1149

RE: Section 5310 Match Requirement

PB&J Family Services will provide funds to meet the 20% match requirement for our FY: 2027 SECTION 5310 Application. These funds will be allocated from our unrestricted reserves.

Respectfully,

Jennifer Thompson  
Executive Director  
PB&J Family Services



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
07/01/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Daniels Insurance, Inc.-Albq. 320 Gold Avenue SW, Ste 700  Albuquerque NM 87102	<b>CONTACT NAME:</b> David Tinley
	<b>PHONE (A/C, No, Ext):</b> (505) 766-9676 <b>FAX (A/C, No):</b> (505) 766-9679 <b>E-MAIL ADDRESS:</b> dtinley@danielsinsuranceinc.com
<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> PB&J Family Services, Inc.  1101 Lopez Rd SW  Albuquerque NM 87105-0000 (505) 877-7060	<b>INSURER A:</b> New Mexico Mutual Casualty Com <b>NAIC #</b> 40627
	<b>INSURER B:</b> Lloyds of London
	<b>INSURER C:</b> Berkshire Hathaway Homestate I      20044
	<b>INSURER D:</b> Berkshire Hathaway Specialty I      22276
	<b>INSURER E:</b>
	<b>INSURER F:</b>

**COVERAGES**      JG      **CERTIFICATE NUMBER:** Cert ID 39722 (8)      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
D	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			47SPK14994610	07/01/2025	07/01/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 Empl Benefits Liab \$ 1,000,000
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> AUTOS ONLY			47RWS14994210	07/01/2025	07/01/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
D	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			47SUM14994510	07/01/2025	07/01/2026	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	538.134	07/01/2025	07/01/2026	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Professional Liability			47SPK14994610	07/01/2025	07/01/2026	Each Claim \$ 1,000,000
D	Professional Liability			47SPK14994610	07/01/2025	07/01/2026	Aggregate Limit \$ 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
General liability and auto liability policies contain a "Blanket Additional insured" provision that establishes the scope of additional insured coverage granted to the certificate holder. Per a blanket waiver of subrogation and where permitted by the state law, the insurer waives its right to subrogate against the certificate holder by reason of payments made under general liability, auto liability and worker's compensation, but only under the circumstances stated in the policies.

<b>CERTIFICATE HOLDER</b>  NAYEC  1101 Lopez SE  Albuquerque NM 87105	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

## Budget Proposal

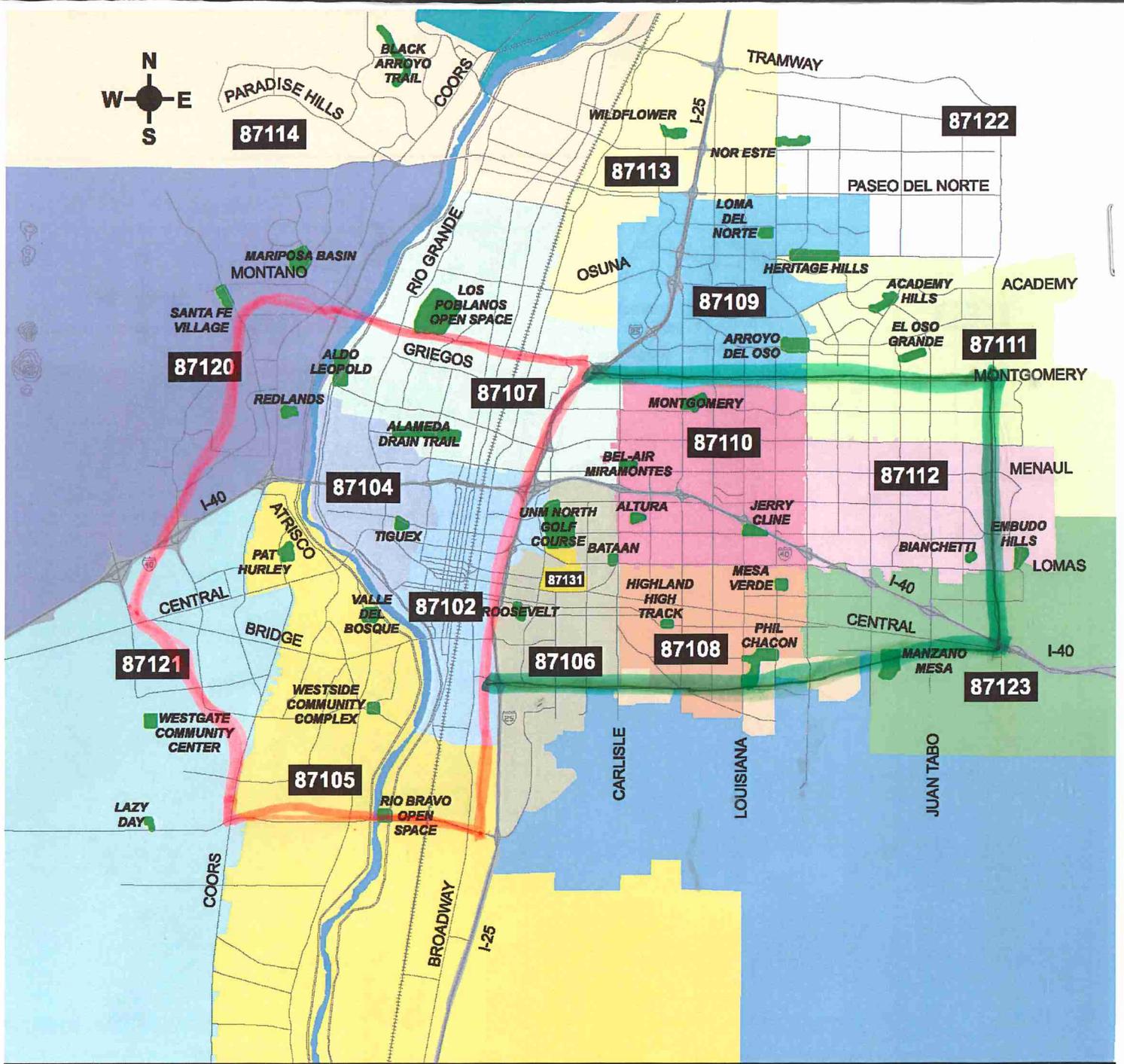
<i>FY 26 Proposed</i>	
<i>Revenue / Income</i>	5,443,986
<i>Total Exp</i>	\$ 5,441,965
<i>Gain /Loss</i>	\$2,021

### **Expenses:**

<i>FY 26</i>	
Salaries and Benefits	\$ 4,128,038
Employee background checks	\$1,265
Conferences and Meetings	\$4,723
Mileage & Fares	\$78,223
Meals & Lodging	\$7,042
Gas & Oil	\$21,434
Auto M&R	\$12,735
Auto Licenses and Permits	\$3,325
Other Travel	\$151
Client Assesments	\$4,156
M&R, Furn, Fix, Eqmt	\$3,434
M&R Buildings and Grounds	\$5,647
Property & Liability Insurance	\$91,084
Janitorial Supplies	\$7,953
Medical Supplies	\$1,548
Classroom Supplies	\$15,597
Other Supplies	\$19,427
Office Supplies	\$32,251
Food	\$87,101
Kitchen Supplies	\$5,099
Computer & Data Supplies	\$5,872
Educational Supplies	\$16,424
Furniture & Equipment	\$17,863
Social Activities	\$13,514
Prof and Contract Services	\$58,360
Audit and Accounting Fees	\$14,935
Promotion	\$15,156
Printing & Copying	\$19,797
Computer Exp. Software & Maintena	\$3,406
Postage and Shipping	\$3,718

Lease of Equipment	\$5,154
Utilities	\$66,768
Rent of Bldgs, Land	\$36,559
Special Assistance to Individuals	\$71,686
Telephone	\$74,180
Subscriptions and Publications	\$33,272
Education & Training	\$32,501
Recruiting	\$4,439
Wilderness Expense	\$4,860
Membership Dues	\$3,310
Licenses & Certifications	\$2,997
Gas Card Assistance to Individuals	\$0
Bank Service Charges	\$2,885
Miscellaneous	\$7,265
Capital Equipment	\$2,539
Capital Improvement	
Occupancy Costs	\$40,945
Property Taxes	\$143
Interest Expense	
Fund Raising Expenses	\$4,287
Inkind Expense	\$211,454
Agency Special Events	\$0
Employee Recognition	\$2,773
Administrative and Support Fee	\$134,670
Gain/Loss on Asset	

**Total Expenses >>> \$ 5,441,965**



**South Valley:** 87102, 87104, 87105, 87107, 87121

**South East:** 87111, 87109, 87106, 87108, 87110, 87123, 87106, 87112

**Bernalillo:** 87114, 87124, 87004, 87001, 87013, 87144, 87120, 87043

PB&J Family Services  
1101 Lopez Road SW  
Albuquerque, NM 87105

October 10, 2025

## PB&J Family Services Collaboration and Community Outreach

PB&J Family Services continues to strengthen its commitment to collaboration and community partnerships throughout Bernalillo County and across New Mexico. Our programs are built on the belief that children and families thrive best when supported through coordinated systems of care and accessible services.

As a long-standing community-based organization, PB&J actively collaborates with numerous agencies, programs, and provider networks to enhance the continuum of early childhood, family strengthening, and reintegration services. Key collaborative efforts for FY2025–2026 include:

- Children, Youth and Families Department (CYFD):

PB&J partners closely with CYFD through multiple contracts to provide prevention, home visiting, and family support programs. These collaborations ensure that families receive trauma-informed and culturally responsive care across systems.

- Bernalillo County ACE Collaborative:

PB&J participates in quarterly meetings with the County and other ACE and contract providers. These convenings foster collective problem-solving, resource sharing, and systems alignment to reduce adverse childhood experiences and strengthen family stability.

- South Valley Early Childhood Group (SVECG):

As an active member of SVECG, PB&J contributes to collaborative outreach, community events, and joint initiatives designed to support children and families in the South Valley. Through this partnership, PB&J promotes early childhood education, parent engagement, and access to essential services.

- Family Infant Toddler (FIT) Metro Quarterly Meetings:

PB&J works alongside Early Intervention providers to coordinate services and transitions for infants and toddlers with developmental needs, ensuring families experience seamless support across agencies.

- Home Visiting Collaborative Meetings:

Our Home Visiting Program participates in quarterly collaboratives to strengthen best practices, coordinate referrals, and promote comprehensive family engagement.

- Lovelace G.R.A.C.E. Program:

PB&J is engaged in a developing partnership with Lovelace's G.R.A.C.E. Program to provide cross-referrals and coordinated outreach for pregnant and parenting families. This collaboration increases access to resources and support services, including transportation for qualifying

families enrolled in PB&J programs.

Through these ongoing collaborations, PB&J shares program information, referral pathways, and transportation support to ensure families can access services without barriers. These partnerships help PB&J uphold its mission to help at-risk children develop to their full potential in nurturing families within supportive communities.

We look forward to continuing our partnerships and welcoming new collaborations that strengthen our collective impact for New Mexico's children and families.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Thompson".

Jennifer Thompson  
Executive Director  
PB&J Family Services, Inc.



**PB&J**  
FAMILY SERVICES

September 29th, 2025

New Mexico Department of Transportation  
1120 Cerrillos Road  
Santa Fe, NM 87504-1149

RE: Section 5310 Match Requirement

PB&J Family Services will provide funds to meet the 20% match requirement for our FY: 2027 SECTION 5310 Application. These funds will be allocated from our unrestricted reserves.

Respectfully,

Jennifer Thompson  
Executive Director  
PB&J Family Services



September 29th, 2025

NM Department of Transportation  
1120 Cerrillos Road  
Santa Fe, NM 87504-1149

RE: Program Justification Federal Transit Administration (FTA) Section 5310 Program

PB&J Family Services extends its sincere appreciation to the Department of Transportation for your ongoing support of our transportation program. Your partnership plays a vital role in helping us remove barriers and expand access to essential family and early childhood services for our clients.

PB&J utilizes its fleet of vans to provide transportation for more than half of the families we serve, ensuring consistent participation in our center-based programs. Many of our clients face significant challenges related to transportation, including the absence of a personal vehicle and limited access to public transit. By addressing these barriers, PB&J enables families to engage more fully in parenting education, early childhood education, and early intervention services—supports that are foundational to strengthening families and improving long-term outcomes.

Our vans are also used to facilitate family field trips and community-based activities, providing opportunities for children and parents to experience enriching events that might otherwise be out of reach. The more families we are able to serve, the greater the collective benefit to the well-being and resilience of our community.

In addition to transportation for center-based programs, PB&J provides case management services that connect families with vital community resources. Many clients require transportation assistance to attend medical, therapeutic, or social service appointments. While our agency vans are used for program-related transport, PB&J Family Intervention Specialists also utilize their personal vehicles, when appropriate, to ensure families can access the care and support they need.

Your continued investment in our transportation program strengthens PB&J's capacity to bridge the gap between families in need and life-changing resources. Together, we are empowering parents, promoting child well-being, and contributing to a safer, more connected community.

Thank you for your ongoing partnership and for supporting PB&J Family Services in this critical work.

With gratitude,

A handwritten signature in cursive script that reads "Jennifer Thompson".

Jennifer Thompson  
Executive Director

**Board of Directors**

**PB&J Programs  
Jennifer Thompson, Executive Director**

Stephanie Martinez de Berenger—Quality Improvement (All Sites)  
Crystal Zamora —Outreach Coordinator

Raul Villareal—STEM Group Facilitator  
Susannah Burke—Clinician (PT)\*  
Tracy Chacon—Clinician

Regina Jaramillo  
FIS II

Alexandria Aragon  
Family Intervention Specialist

Maggie Killough  
Database Administrator

Brenda Banuelos  
Lead Data Coordinator

Heather Rodriguez  
Billing Coordinator (PT)\*

Anne Marie Palma  
CBPIR Program Manager

TBD  
FSW

Aly Freleigh  
FSW

Yvette Woodard-Clark  
FSW

Dianna Tenorio  
FSW/Trainer

Danielle Velasquez  
Front Office Staff

Kimberlee Batson  
Receptionist SV

Sommer Covarrubias  
Admin Asst/File Clerk  
(floater) SV

Maritza Caraveo  
Office Coordinator  
SE Heights

Lilia Perez, Home Visiting  
Program Manager

Natasha Gutierrez  
Home Visitor

Doris Santiago  
Home Visitor

Carla Sacco  
Home Visitor

Jonee Alarcon,  
JCC Program Manager

Noa Siamu  
Youth & Family Specialist

Whitney White  
Youth & Family Specialist

Stacey Carrasco  
Coalition Coordinator

Parenting Program

Jonas Lieb  
FIS II (BCC)

Ashley Taylor  
FIS I (BCC)

Jennifer Martinez  
FIS III

Amy Weisent  
Clinician

Melinda Shultz  
MDC Program Manager

Isaac Flores  
Child Resource Adv.

Rosenda Fregoso  
CSG Program Manager

Amanda Rosecrans  
Lead Program Coordinator

Michaela Trujillo  
CSG Facilitator

Nicolette Montoya  
CSG Facilitator

Evanna Serma  
Family Outreach Program Manager

Irene Gossett—Family Intervention Specialist II  
Shannon Padilla—Family Intervention Specialist II  
Veronica Trujillo —Family Intervention Specialist II

\*PT (Part-time)



# **Section 5**

## **TRANSPORTATION**

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Section 5: Transportation  
Procedure  
5.1.a: Transportation Eligibility  
*Staff Reviewed: October 2025*

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Transportation is offered to enrolled children and parents for whom no other means of reliable transportation to and from services is possible, and who reside within the catchment area. Families who reside outside the catchment area must arrange to come to a pick-up point within the boundaries where they may board the PB&J van.

Passengers are required to board the van at designated pick-up points. Pick-up and drop-off points are arranged prior to client families starting transportation services. Arrangement for changes in pick-up and/or drop-off is made in advance with the classroom and transportation staff. Passengers may not request changes in drop-off while on the van. Safety procedures are followed at all times.

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Section 5: Transportation  
Procedure  
5.1.b: Personnel Matters  
*Staff Reviewed: October 2025*

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Personnel and program matters are specifically covered in the *Employee Policy Manual* and the *Program Policy and Procedure Manual*. In addition, for all PB&J Drivers, the following applies:

- as a prerequisite for driving employment, defensive driving and first aide courses are mandatory;
- job responsibilities include, but are not limited to, daily route planning, van inspections, arranging needed repairs, fueling, and other activities to assure the most efficient operations of the transportation service; and
- separate and distinct work, vacation, leave, and other schedules may be required and adjusted as necessary.

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Section 5: Transportation  
Procedure  
5.1.c: Required Reporting and Documentation  
*Staff Reviewed: October 2025*

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Drivers are required to complete and submit all applicable reports and documentation in compliance with current reporting documentation practices and standards. Daily driver logs, maintenance reports, mileage, gas, and passenger logs, trip records and safety inspections are among the required reports.

All accidents/collisions **MUST** be reported to appropriate PB&J management, City/State authorities, police/sheriff, and/or other authorities including PB&J's insurance carrier. Passenger names, addresses, and contact phone numbers are recorded by the driver when accidents or incidents occur and an Incident Report is filled out. *See PB&J Program Policy and Procedure Manual Section 11.1: Critical Incident.*

Drivers are required to report all changes to their driving record(s) including any citations received for any reason, regardless of whether or not they occurred at work.

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Section 5: Transportation  
Procedure  
5.1.d: Use of PB&J Vehicle for Personal Reasons  
*Staff Reviewed: October 2025*

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PB&J vehicles are not to be used for personal use unless the Transportation Supervisor grants specific permission. Rationale for use of a PB&J vehicle for non-business purposes is determined on an individual basis.

Unauthorized use of any PB&J vehicle may result in termination from employment.

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Section 5: Transportation  
Procedure  
5.1.e: Public Relations  
*Staff Reviewed: October 2025*

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Drivers play a significant role in maintaining a positive public relations posture for PB&J. The following public relations best practices are performed:

- demonstrate professionalism through appearance, dress and behaviors;
- reflect courteousness to parents, children and other drivers;
- operate the vehicle in a safe and conscientious manner, even when there are no passengers on board;
- provide education to passengers concerning the service; and
- consider the unique needs and provide careful aid to wheelchair and/or special needs passengers.

The enthusiasm each Driver, as our organization's representative, shows in the service and the courtesy they extend to passengers and others in the community. This is crucial to the continued efficiency, effectiveness, and success of our service.

The Driver Identification Badge is visibly worn by the Driver whenever operating the vehicle and acts as a means for parents and/or agency representatives to recognize the Driver as authorized to transport their children or clients.

PB&J's phone number is visibly displayed in each van so that a passenger and/or a community member can contact PB&J's management if necessary.

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Section 5: Transportation  
Procedure  
5.1.f: Communication  
*Staff Reviewed: October 2025*

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Drivers are expected to check their messages and/or the Driver Passenger Log three times daily:

- prior to starting their route in morning;
- prior to leaving for the one o'clock run; and
- upon completion of the late afternoon run.

Upon returning to the school after the morning and runs, treatment staff should be informed of any "no shows" and/or parent messages. Treatment staff should be notified of other client information that would benefit the client/family's treatment or safety as well.

**Drivers are a crucial link between our parents and treatment staff, and are responsible for maintaining effective communication.**

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Section 5: Transportation  
Procedure  
5.1.g: Passenger/Client Rights/Considerations and Restrictions  
*Staff Reviewed: October 2025*

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All passenger rights and needs are considered when PB&J provides transportation services. When providing clients with transportation services we are giving them an opportunity to go places and do things that might not otherwise be possible.

Drivers who operate PB&J vehicles should demonstrate:

1. patience and courteousness;
2. cultural sensitivity;
3. behaviors which are respectful and support the dignity of others; and
4. sound communication, boundary setting and other behaviors that assure client safety and well-being.

Generally, PB&J Drivers do not leave their seat to aide passengers in boarding or exiting the van. Drivers may do so if the Transportation Manager and Treatment Team have agreed that this is necessary and/or such a practice is indicated by the treatment plan. Drivers are instructed to use the aide of another adult passenger or community member who is responsible for the person needing assistance, (i.e., parent, daycare worker, foster parent, spouse, etc.) and/or is willing to assist the client for such aide.

Unruly, or otherwise disruptive passenger behavior as determined by the Driver, will not be tolerated. If a situation occurs in which there is unsafe behavior occurring in the van, the Driver will safely pull over and stop the vehicle. They will then radio in to PB&J to speak with the Treatment Coordinator or supervisor for further instruction. All instances will be followed up with a meeting.

Individuals who appear to be under the influence of alcohol or other substances, who may jeopardize the safety, and/or comfort of passengers may be refused services. Drivers have the authority to refuse service to anyone that s/he suspects is under the influence.

**SMOKING ON THE VAN BY PASSENGERS OR THE DRIVER IS STRICTLY PROHIBITED.**

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Section 5: Transportation  
Procedure

5.1.h: Client Pick-up and Delivery

*Staff Reviewed: October 2025*

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All scheduled bus trips will be submitted to the Transportation Manager by the Program Manager. All preschool busses must have an adult passenger other than the driver for the last passenger drop off. Unaccompanied infants under 12 months of age require a PB&J staff member to ride the bus. Every day, bus drivers will inform the Transportation Manager of the next day's client count and need for additional staff members. Passenger pick-up and delivery are handled in a consistent and respectful fashion. Pick-up or delivery on a residential street is usually made at the curb in front of the passenger's residence, although the driveway may be used if circumstances allow. Drivers stop the vehicle in a place where passengers may easily board. If possible they place the vehicle where the curb may be used as an extra step. Emergency flashing lights are utilized while the van is stopped and Drivers ensure the parked vehicle does not block traffic and that it is visible to oncoming motorists. Drivers avoid situations, in which they will need to go in reverse, when possible.

Drivers will sound the vehicle's horn once when approaching the pick-up point. If the passenger has not appeared when the vehicle stops, they will sound the horn once again. (Note: Deaf passengers are identified in passenger pick-up information and in these instances; arrangements for a specific pickup time with the family are made in lieu of sounding the horn). Pick-ups in business areas are made in marked stopping zones nearest the pick-up address. The Driver will wait for 5 minutes and then radio in to the front office and ask them to call the passenger. If no contact is made they leave to their next stop.

At hospitals, medical facilities and schools, PB&J personnel should ask the client for the specific location where they will be waiting (e.g., north side of building). These directions are then used to locate the person. A reasonable search is made, if the Driver is unable to find the passenger, they will then contact the Treatment Coordinator for further instructions.

When arriving at PB&J Drivers contact staff via radio and request staff to supervise the unloading of children and parents. Assurances are made when children arrive at school that they are all safely off the bus and supervised by program staff.

Parents must meet children at the bus and children may not be left in the care of another adult unless specific instructions are given to a Treatment Team member and the Driver. Children and infants are aided by parents/adults when boarding the vehicle. Drivers ensure that seat belts and/or car seats are in use, and all passengers remain protected by seat belts until destination is reached.

Drivers always greet passengers as they board the bus. Our children and parents genuinely appreciate a smile and a cheerful greeting.

Buses will never be left unattended, with motor running. Buses are locked when not being driven. Radios are removed at the end of the day if appropriate,

**DRIVERS ARE RESPONSIBLE TO ENSURE THAT CHILDREN ARE NOT LEFT ON THE VAN.**

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Section 5: Transportation  
Procedure  
5.1.i: Parking Vehicles  
*Staff Reviewed: October 2025*

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Each time a Driver is parking a vehicle the following practices should be conducted:

1. The transmission is placed in the park position;
2. The hand brake is set so that the vehicle cannot move;
3. If on, headlights are turned off;
4. Emergency lights are turned on if passengers are boarding or alighting; and
5. The motor is turned off and the keys removed;
6. Both the driver and a staff member must then walk to the back of the bus to ensure all passengers are off the bus.
7. The driver then radios the front office staff to inform them the bus was inspected. The front office staff records the name of the driver and the staff member in the bus log and both initial the entry.
8. The driver then places a bus empty sign in the window of the bus. The driver goes to the front office and signs the log.

For drivers returning to PB&J after hours, the driver will radio their arrival to the Transportation Manager and report their bus inspection. The Transportation Manager will record in a log. If the Program Manager or Transportation Manager do not hear from the driver, they will call the driver.

The vehicle is never left unattended while the motor is running and/or if the hand brake is not engaged. If the vehicle is positioned on an incline, a wooden block is placed behind a back wheel, or in front of a front wheel to make sure the vehicle will not roll.

DRIVERS AND ANOTHER STAFF MEMBER ARE RESPONSIBLE TO CHECK FOR SLEEPING PASSENGERS. CHILDREN ARE KNOWN TO FALL ASLEEP ACROSS THE SEAT MAKING IT DIFFICULT TO SEE FROM THE FRONT SEAT. DRIVERS ALWAYS WALK TO THE BACK OF THE VAN AND CHECK EVERY SEAT BEFORE LOCKING THE VAN. THIS PROCEDURE IS FOLLOWED AFTER EVERY RUN.

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Section 5: Transportation  
Procedure  
5.1.j: Oxygen Tanks on PB&J Vehicles  
*Staff Reviewed: October 2025*

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Individuals with lung disease who need supplemental oxygen will be allowed to board PB&J vehicles with portable oxygen tanks. Since PB&J has a non-smoking policy in place, traveling with oxygen should not be a problem. In order to be transported safely, oxygen tanks are kept upright, secured, and away from heat and flame. And, because oxygen containers release small amounts of gas periodically, a window will be kept partially open, regardless of the weather.

- The driver will provide a designated space and bungee cords when needed to keep oxygen tanks with wheels or on stands upright and secure;
- Passengers with sling, backpack, etc. type oxygen tanks will be responsible for making sure that their oxygen tank is with them and secured at all times;
- Passengers may not leave their tank in another seat or unattended;
- If a care attendant is needed to help the passenger with their oxygen tank, that care attendant will be allowed to ride along with the passenger;
- If necessary, the driver may ask if the oxygen tank can be turned off while transporting, but will not insist on it being turned off;
- PB&J reserves the right to exclude an oxygen tank from the van if the passenger refuses or is unable to follow the safety requirements for transporting oxygen tanks. The passenger will first be given the option of continuing to use the transportation service without having their oxygen tank on board. Alternatively, PB&J will require that they have a care attendant with them for the purpose of helping to secure the passenger's oxygen tank.

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Section 5: Transportation  
Procedure  
5.1.k: Service Animals  
*Staff Reviewed: October 2025*

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Service animals are welcome aboard PB&J vehicles. A service animal is any guide dog or other animal trained to perform tasks for an individual with a disability. Service animals are not pets, they are working animals that are specially trained to provide assistance. To travel on a PB&J vehicle, the service animal must:

- be on a leash or in a container, be under its person's control and behave appropriately;
- remain at its person's feet or on their lap, but may not sit on a vehicle seat;
- birds, reptiles, amphibians and rodents must be kept within an enclosed carrier or container;
- not show aggressive tendencies towards people or other animals.

Under control and well behaved are the defining characteristics of a service animal. The care and supervision of a service animal is solely the responsibility of its owner. In addition, clients travelling with animals are subject to the same general rules that apply to all passengers; ie., any damage or soiling caused by the animal is the responsibility of the client. If an animal is not under control or if its behavior is disruptive or menacing, PB&J can refuse service or ask the person and animal to exit the vehicle. Service animals must be kept under physical restraint by the owner at all times. Service animals that are disruptive, threatening or intimidating will be handled on a case by case discipline process.

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Section 5: Transportation  
Policy  
5.2: Driver Training  
*Board Approved: February 2016*

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Drivers receive training as related to vehicle operation, rules and regulations, proper equipment use, safety procedures, reporting incidents and accidents, communication procedures and passenger assistance prior to operating a vehicle. Ongoing training is documented.

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Section 5: Transportation  
Procedure  
5.2.a: Driver Training  
*Staff Reviewed: October 2025*

---

Drivers receive new-hire and on-going trainings needed to perform their job duties. Staff is trained in the following topics prior to operating a vehicle and/or transporting clients:

- appropriate vehicle operations;
- rules and regulations;
- proper equipment use;
- safety procedures;
- reporting incidents and accidents;
- documentation requirements and practices;
- communication procedures; and
- passenger assistance and issues.

Ongoing training topics vary and may include subjects such as:

- de-escalation techniques;
- team collaboration
- ethics; and
- car seat installation.
- Wheelchair securement and lift operation

Drivers maintain First Aid and CPR certifications and participate in Defensive Driving training yearly.

Transportation Manager will conduct a quarterly training session to review transportation procedures.

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Section 5: Transportation  
Policy  
5.3: Transportation Laws and Regulations  
*Board Approved: February 2016*

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Transportation services comply with all applicable federal, state and local laws, and regulations.

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Section 5: Transportation  
Procedure  
5.3.a: Car Seats/Safety Belts  
*Staff Reviewed: October 2025*

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PB&J Transportation Services abides by the following New Mexico laws as they apply.

**New Mexico Child Restraint Act: 66-7-369** (effective June 17, 2005)

*Source: <http://www.safernm.org/education/acts.html>*

All persons under 18 years of age must be properly secured in a child restraint device (car seat) or by a seat belt, unless all seating positions with seat belts are occupied as follows:

- Children under one year of age must be properly secured in a rear-facing car seat that meets federal standards in the back seat of the vehicle. If the vehicle does not have a back seat, the child may ride in the front seat of the vehicle if the passenger-side air bag is deactivated if possible.
- Children under five years of age, regardless of weight, and children under 40 pounds, regardless of age, shall be properly secured in a child safety seat (car seat or booster seat) that meets federal standards.
- Five and six year olds, regardless of weight, and children under 60 pounds, regardless of age, shall be properly secured in either a child booster seat or other appropriate car seat that meets federal standards.
- Children 12 years and under shall be properly secured in a car seat, booster seat, or seat belt. A child is properly secured in a seat belt if, when the child sits all the way back in the vehicle seat, the lap belt fits across his hips (not stomach), and the shoulder belt fits across the center of his chest and does not hit his neck, and his knees are bent over the edge of the vehicle seat. If the child does not fit properly in a seat belt, they should still be in a child safety seat (car seat or booster seat).

The child restraint act applies to all passenger cars, vans, and pick-up trucks. It also includes daycare vans. Authorized emergency vehicles, public transportation, and school buses are exempt.

The fine for violating the New Mexico Child Restraint Act is \$25.00, two points on the offender's license, and additional fees (depending on jurisdiction).

**New Mexico Safety Belt Use Act: 66-7-372** (effective July 15, 2001)

Source: <http://www.safernm.org/education/acts.html>

Each occupant of a motor vehicle, having a gross vehicle weight of ten thousand pounds or less and manufactured with safety belts, shall have a safety belt properly fastened about his/her body at all times when the vehicle is in motion on any street or highway.

The fine for violating the New Mexico Safety Belt Use Act is \$25.00, two points on the offender's driver license, and additional fees, depending on jurisdiction.

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Section 5: Transportation  
Procedure  
5.3.b: Vehicle Safety Equipment  
*Staff Reviewed: November 2024*

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Emergency related equipment including a first aid kit, fire extinguisher, (with current inspection sticker), reflective vests, flashlights, biohazard kit; passenger safety restraints (seat belts/car seats) and spare tire are provided. All passengers must use appropriate safety restraints at all times.

A two-way radio system is used to schedule and relay emergency information.

Drivers ensure all appropriate safety equipment is on board each operating day. If the vehicle does not have appropriate safety equipment, the Driver will attempt to obtain the equipment from PB&J inventory. If it is not obtained, the Driver will notify transportation management as soon as possible.

Maintenance of the vehicles is an important part of keeping the service efficient. A properly maintained vehicle is crucial to the daily safety of the passengers and Driver.

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Section 5: Transportation  
Procedure  
5.3.c: Complaints  
*Staff Reviewed: October 2025*

---

Regardless of whoever receives the feedback, all passenger and/or community complaints regarding transportation services, are called to the attention of the Transportation Supervisor. The supervisor informs the Driver of the nature of the complaint and work to make all reasonable efforts to remedy the situation.

Regardless of whoever receives the feedback, the person who receives it documents all client and/or community complaints on a critical incident form. Such documentation is then forwarded to the Executive Director(s). All community complaints are documented and investigated.

Any Driver receiving a community complaint may be subject to disciplinary action pending the investigation. **Any community complaint regarding reckless or careless driving by a PB&J staff member is taken very seriously.**

---

Section 5: Transportation  
Policy  
5.4: Vehicle Maintenance  
*Board Approved: February 2016*

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Routine vehicle maintenance is the responsibility of drivers assigned to PB&J vehicles, with oversight provided by the Transportation Supervisor. Maintenance is provided and documented in accordance to manufacturer recommendations.

Proper maintenance is documented and includes but is not limited to vehicle operating condition, cleanliness, emergency equipment, seat belts, car seats, and transportation communication equipment.

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Section 5: Transportation  
Procedure  
5.4.a: Vehicle Maintenance  
*Staff Reviewed: October 2025*

---

The routine maintenance of PB&J vehicles is performed at periodic intervals in order to prevent issues of safety or emergency situations. A maintenance log is utilized to record regular daily preventive maintenance tasks and is designed to keep the vehicles in suitable running order. **The success of the preventive maintenance program depends on the Driver and his/her vigilance in identifying possible problems and ensuring they are fixed before they become safety hazards.** Whenever a Driver identifies a maintenance problem, s/he will notify his/her supervisor as soon as possible in order that a plan of action be developed and implemented to address the maintenance issues.

---

Section 5: Transportation  
Procedure  
5.5.a.: Driving Practices  
*Staff Reviewed: October 2025*

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Driving practices are governed by the safety and comfort of passengers and other Drivers. Drivers adhere to legal speed limits, observing safe following, starting and stopping, loading and unloading procedures. Drivers are required to observe ordinances including but not limited to those imposed upon by Indian Reservations. Drivers do not use cell phones to initiate or receive calls or text messages while driving PB&J's vehicles.

Prevailing weather and road conditions will be considered at all times. While driving in rural areas, Drivers are required to consider curving, mountainous, muddy, unpaved and snow covered roads.

Considerable care is exercised when road hazards are encountered that might endanger the passengers or cause undue discomfort. Road hazards may include dips, bumps, and potholes that may be avoided or taken at low speed.

As a courtesy, Drivers periodically check with the passengers to determine if the vehicle is too warm or too cold. Temperature controls will be adjusted for maximum passenger comfort.

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Section 5: Transportation  
Procedure  
5.5.b: Following Distance  
*Staff Reviewed: October 2025*

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Drivers utilize the following best practices:

- vehicles are operated at a safe distance from the vehicle in front to avoid rear end collision;
- sudden stops caused by following another vehicle too closely are unnecessary and easily avoidable;
- prevailing weather conditions are considered when judging following distances; and
- a general measurement used is one car length for every 10 miles per hour of speed. (Example: If traveling 50 miles per hour, following distance should be at least 5 car lengths behind the vehicle in front)

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Section 5: Transportation  
Procedure  
5.5.c: Speed  
*Staff Reviewed: October 2025*

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Vehicles must adhere to the legal speed limits at all times.

Particular care is exercised in residential areas and school zones.

Should speeds lower than the posted limit be necessary due to safety considerations; Drivers take care not to unduly impede the normal flow of traffic.

Common sense, tempered with professional driving skills, is often the best measure of operating speeds.

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Section 5: Transportation  
Procedure  
5.5.d.: Mountain Driving  
*Staff Reviewed: October 2025*

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Drivers utilize the following best practices:

- depending upon the route used, drivers may be required to operate the vehicle along curving, mountainous roads, often under adverse weather conditions;
- extreme caution is taken under such circumstances;
- speeds are reduced so as to have the vehicle under complete control at all times; and
- incorrect or improper usage of brakes or other equipment is avoided so as to not contribute to the potential for equipment or brake failure.

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Section 5: Transportation  
Policy  
5.6: Federal Communication Commission (FCC)  
*Board Approved: February 2016*

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Transportation service providers comply with applicable Federal Communication Commission (FCC) regulations and protect the confidentiality of client information during the operation of two-way radio communications.

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Section 5: Transportation  
Procedure  
5.6.a: Communication Equipment  
*Staff Reviewed: October 2025*

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Communication equipment (two-way radio system) is provided and used in reporting emergency situations such a vehicle breakdown, dispatching changes in route, client cancellation of service and road conditions, and other appropriate communication necessary for the provision of efficient and safe transportation services. Current FCC regulations are observed when transmitting with this equipment.

It is the Driver's responsibility to assure that communication equipment is kept in working order. Due to risk of radio transmissions being overheard both on-site and within the community, Drivers will establish and utilize methods of communication (i.e. ID numbers or first names only) that ensure client confidentiality.

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Section 5: Transportation  
Procedure  
5.6.b: Operation and Procedures of Two-Way Radio  
*Staff Reviewed: October 2025*

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When stopped to pick-up/drop-off passengers or when awaiting further instructions, Drivers contact the base station utilizing the following method:

- Driver: use all call letters: Driver name, Unit # to base, over;
- Base: Go ahead unit #, over...
- Driver: proceeds with message.

Should a parent not be home to receive the child, Drivers immediately notify base.

Whenever possible, Drivers use radio codes to minimize the amount of time spent on the radio.

The Driver Passenger Log is maintained in order to reflect current routes and new changes and/or additions in passengers and the destinations. Passenger logs are checked prior to each route.

### Radio Breakdown

In the case of a van's radio becoming inoperable, the Driver will proceed to assigned stops and attempt to contact base by other means (i.e. cellular telephone, another van radio, etc.). The Driver will notify base and/or their supervisor as soon as possible and a plan will be made to pick-up missed clients (if needed) and repair the radio.

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Section 5: Transportation  
Procedure  
5.7.a: Vehicle Breakdown  
*Staff Reviewed: October 2025*

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The Driver notifies base of the situation and describes their location, the probable cause of the problem and the number of passengers present in the case of vehicle breakdown. The Driver will remain with the vehicle until s/he is relieved or until the vehicle is repaired in the field.

If passengers are present, a plan will be implemented between base staff (generally the transportation supervisor) and the Driver. Another vehicle will be dispatched to pick-up passengers from the disabled vehicle.

If passengers are present, the Driver will make efforts to ensure their safety and comfort in as much as is possible. Passengers are to be notified of our efforts to remedy the situation.

Passenger safety and service are of primary consideration to the transportation system. An emergency is defined as any situation affecting service to or the safety of the passengers.

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Section 5: Transportation  
Procedure  
5.7.b: Vehicle Collision  
*Staff Reviewed: October 2025*

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Upon any vehicle collision occurring while conducting agency business or while in an agency vehicle, regardless of whether clients are present, the Driver will report the accident and related information to the supervisor. All vehicle collisions are reported to the police. Drivers will remain on the scene of an accident until an accident report has been completed by the police. The following procedure will be used.

- if the accident involves the injury of a passenger, Driver, pedestrian, or other vehicle occupant, medical help will be immediately sought;
- report accident immediately to base;
- obtain name, address, license number, insurance information of other driver(s);
- if the vehicle involved in the collision and/or Driver are not able to transport passengers, another vehicle or ambulance (if appropriate) will be dispatched;
- if personal injuries or non-agency property damage occurs, the agency will contact those involved to indicate how the matter will be settled; and
- a critical incident report must be submitted.

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Section 5: Transportation  
Procedure  
5.7.c: Passenger/Driver Illness/Need for Emergency Medical Assistance  
*Staff Reviewed: October 2025*

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If one or more passengers become ill or require emergency medical and/or urgent care, the Driver will:

- if indicated, proceed to the nearest medical facility or call for an ambulance;
- in all cases, obtain the name(s) and address(es) of ill passengers;
- notify supervisor concerning illness;
- notify supervisor when actions are complete; and
- receives instruction on action to take regarding other passengers.

The Base (Situation Coordinator) will:

- call the hospital, doctor, ambulance, police, etc.;
- develop a plan and instruct the Driver regarding handling of other passengers;
- access emergency contact information and notify contacts as needed.

If the Driver becomes ill or requires urgent medical care the Driver will:

- notify base/situation coordinator of their illness; and
- critically assess the situation in order to ensure the safety of passengers (i.e. whether to stop the vehicle).

The Base (Situation Coordinator) will:

- dispatch an agency vehicle to aide the ill Driver if necessary;
- dispatch another vehicle to pick-up passengers in stopped vehicle, if required; and
- arrange for another Driver, if necessary.

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Section 5: Transportation  
Procedure  
5.7.d: Vehicle Fire  
*Staff Reviewed: October 2025*

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In the case of a vehicle fire, Drivers will:

- pull the vehicle over at the first location that allows safe passenger unloading;
- unload passengers as quickly and safely as possible, directing them to emergency exits as necessary;
- provide assistance to the non-ambulatory;
- use judgment and initiative in deciding whether or not to extinguish a minor fire;
- prioritize and ensure the safety of the passengers and themselves. (Do not risk personal injury in an attempt to extinguish the fire), and
- if possible, call the base. Base will contact the fire department. If this is not possible, the Driver will contact the fire department directly.

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Section 5: Transportation  
Procedure  
5.7.e: Vehicle Unable to Proceed  
*Staff Reviewed: October 2025*

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During any incident in which the vehicle is in running condition, but it is immobilized and may remain so for an unknown amount of time, the Driver may determine that it is unsafe for vehicle to proceed. Such instances may include, a road blocked by an accident, high water or heavy snow.

In such instances the Driver will:

- notify their supervisor and describe the situation;
- remain with the vehicle and explain the delay to the passengers;
- make efforts to ensure the safety and comfort of passengers in as much as is possible;
- attempt to get vehicle moving (within limits of safety); and
- keep their supervisor advised of actions taken.

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Section 5: Transportation  
Procedure  
5.7.f: Situations Not Covered  
*Staff Reviewed: October 2025*

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Whenever situations occur that are not covered by the above guidelines, Drivers will use their best judgment, with the safety of all individuals as their first priority. Transportation Supervisor should be informed of the incident as soon as possible.

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Section 5: Transportation  
Policy  
5.8: Transportation Regulations  
*Board Approved: February 2016*

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PB&J adheres to school bus safety standards. The program's transportation regulations are provided and explained to clients and other parties involved in client transportation. The regulations are provided in a manner the clients can understand.

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Section 5: Transportation  
Procedure  
5.9: Use of Personal Vehicles  
*Staff Reviewed: October 2025*

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Employees frequently use their personal vehicle for agency-related business. The usage varies from running errands, going to purchase supplies, attending off-site meetings and transporting clients. Such usage can subject PB&J to liability exposure and we take several steps to assure that our employees, our clients and PB&J are protected.

Employees who use their personal vehicle in the course of their work with PB&J are required to keep on file with Human Resources a current copy of their driver's license and current proof of auto insurance. Employees are required to promptly notify PB&J of any changes in their driving and/or insurance information. At least annually, PB&J reviews the driving records of all employees through the Department of Motor Vehicles to verify that the employee's driver's license is current and that there have not been any incidents in their driving record that would prevent them from transporting clients. Employees do not use cell phones to initiate or receive calls or text messages while driving vehicle.

PB&J encourages employees to be familiar with their personal automobile insurance policy and understand the coverage they carry. It is important for employees to understand that should there be an accident, their personal auto insurance will act as primary coverage.

PB&J's insurance is designed to protect PB&J's interests and liability exposure. Therefore, in a work-related accident, should the employee's personal insurance not cover all liability claims, PB&J's insurance may be engaged at that time.

If an employee files an insurance claim as the result of a work-related accident, pays a deductible for repairs and shows proof of payment, PB&J will reimburse the employee's deductible payment up to \$250 per fiscal year. *See PB&J Employee Policy Section 4.12: Use of Personal Vehicles.*

# **Section 11**

# **ADMINISTRATIVE POLICIES**

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Section 11: Administrative Policies  
Policy  
11.1: Critical Incident  
*Board Approved: February 2008*

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When standard operating procedures are controverted by an incident, a written critical incident report is submitted in a timely manner to the proper internal and external authorities and in accordance with regulatory requirement. Report information is stored in a secure location and utilized for prevention and clinical purposes.

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Section 11: Administrative Policies  
Procedure  
11.1.a: Critical Incident  
*Staff Reviewed: September 2025*

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PB&J is committed to responding to critical incidents in a timely manner in order to protect clients, staff and visitors from avoidable harm. Emergency response takes precedence over standard operational procedures.

PB&J employees are expected to respond in a timely and precautionary manner in order to minimize exposure of physical and psychological risks to clients and others. Incidents of which we are reasonably aware will be reported in order to reduce and prevent future risk.

All critical / emergency situations posing immediate and/or significant risk to clients, staff or visitors must be reported to Executive Management.

***During an Incident***

1. Calm yourself. Remember: your goal is to minimize harm to self and others;
2. Quickly assess the situation and observe the immediate environment;
3. Assess / ask for involved parties' immediate needs. Choose a course of action (including intensity of intervention) based upon this information;
4. When incidents involve criminal acts, pose significant safety risks or when deemed necessary by employee(s), contact local Law Enforcement Agency or call "911";
5. Do your best to provide for the safety of persons victimized, including separating the victim from an alleged perpetrator, providing necessary first aid, and / or obtaining medical care; and
6. Maintain awareness of the situation as it unfolds. Observations provide critical information for investigation, reporting and future prevention purposes. Be prepared to describe:
  - Persons involved in the incident (including physical characteristics, names, ages, clothing, etc.);
  - Names of persons witnessing the incident;
  - Any unusual activities, behaviors, or statements; and

- Persons arriving at the scene later, including emergency response personnel, and estimated time of arrival

### ***Immediate Notifications***

Notify Executive Management when:

1. Allegations of abuse, neglect or exploitation. If you become aware of or have suspicion of an incident, telephone CYFD Statewide Centralized Intake (SCI). Staff the case, document allegations and the abuse / neglect referral. *See PB&J Program Policy and Procedure Manual Section 9.1: Cases of Child Abuse, Neglect or Exploitation.*
2. Emergency services are required. Ambulance, fire department, paramedics, legal guardians, CYFD case workers, etc.

### ***Basic Incident Reporting Requirements***

The staff person(s) with the most direct knowledge of the incident completes a critical incident report as immediately as possible within a timeframe as is reasonable, but **within the same workday**.

A Critical Incident Report contains:

- the date, time and location of the incident;
- a brief description of what led to the incident; including statements from all involved individuals.
- a specific description describing what occurred in a factual manner;
- any health / safety risks associated with the incident;
- actions taken and action plan including recommendations;
- names of additional staff involved or observing situation;
- an independent review; and
- Reporting party's signature.

Amendments to reports and other correlating follow-up documents must be dated, signed and attached to the original report.

A brief description of the situations assessment should correlate with the level of intervention and follow-up provided.

Employees and client reporting incidents are assured against retaliatory actions as a result of reporting. Retaliatory actions are strictly prohibited.

### ***Routing Reports***

- Incident reports involving clients (including suspected incidents) are given to the Clinical Director for review and filed in the critical incident notebook in the HR office;
- The Clinical Director will forward copies of reports to the Health and Safety Committee and/or treatment teams as determined appropriate. Prevention recommendations will be discussed with the Health and Safety Committee;
- Reports not involving clients, including employee Notice of Accident (*see PB&J Employee Manual Section 7.4: Reporting Employee Injuries and Accidents*) are routed to

the Health and Safety Committee Chair for review, hazard and risk assessment, prevention planning, follow-up actions and trend analysis.

### ***Types of Critical Incidents***

#### Suspected Incidents

Report immediately to Executive Management. *See PB&J Program Policy and Procedure Manual Section 9.1: Cases of Child Abuse, Neglect or Exploitation and Section 9.2: Cases of Elderly Abuse, Neglect or Exploitation.*

- **Allegation / Suspicion of Physical Abuse:** Non-accidental contact with a client by a parent, guardian, employee, other client or reported party, which causes or has the potential to cause, physical pain, injury, or illness.
- **Allegation / Suspicion of Psychological Abuse** (verbal, emotional): Any threatening verbal or non-verbal action by a parent, guardian, employee, other client or reported party, which causes a client psychological distress. Statements include but are not limited to teasing, name-calling, and threats to harm.
- **Allegation / Suspicion of Sexual Abuse:** Sexual assault or exploitation of a client by a parent, guardian, employee, other client or reported party.
- **Allegation / Suspicion of Exploitation:** Includes sexual, financial and other exploitation of a client by a parent, guardian, employee, other client or reported party.
- **Allegation / Suspicion of Neglect:** Includes physical, medical, and / or environmental neglect of a client by a parent, guardian, employee, other client or reported party.

#### Suspected and/or First Hand Incidents

Report immediately to Executive Management.

- **Allegation / Suspicion of Harm to Self / Suicidal Risk or Attempt:** Includes self-mutilation; deliberate, self-inflicted injury by client without intention to end his / her life; suicidal ideation (with or without plan); suicide attempts; any act committed in an effort to cause his / her own death.
- **Allegation / Suspicion of Harm to Others/Homicide:** Includes statements and / or plan by a consumer to harm another person, includes homicide attempts.
- **Allegation / Suspicion of Ethical and Professional Code Violation and / or Infringement of client rights:** Includes confidentiality breach or disclosure of protected client information; or any breach of PB&J's Staff Code of Ethical Standards and Professional Conduct.

#### First Hand Incidents

Report immediately to Executive Management.

- **Environmental Hazard:** Any unsafe condition which creates an immediate threat to life or safety and includes fire, flood, natural disaster, outbreak of contagious disease, bio-hazardous accident or other problem which creates structural damage to the facility or poses health hazards. Also includes any co-informational call made to poison control regarding potential harm to a client or resulting in treatment of a client.
- **Emergency Services or Law Enforcement Intervention:** Any situation involving arrest, detention, or emergency services including unanticipated admission to a hospital, or other psychiatric facility; or the provision of emergency services requiring specialized

medical treatment at an urgent care center, emergency room or by emergency medical response units.

- **Other Medical Incidents:** Adverse drug reaction, medications error, etc.
- **Personnel or Other Client Incidents:** Any human act(s) by agency personnel or clients, which presents or poses possible physical and / or psychological threat (including physical, psychological and/or sexual abuse / exploitation) of a client or employee. Incidents that include acts of physical harm to a client by employee or other clients.
- **Death of a Client:** Includes natural death, unexpected death, or suicide death.
- **Unauthorized Leave:** Client leaves service against medical advice, is missing, and/or poses a danger to self and/or others and is unable to care for self. In the case of children, this includes incidents involving their absence from care for any period of time. Also included are incidents where a child under State's custody is missing and presumed to be in the physical custody of their biological parent.
- **Accidental Injury:** Physical injury to clients which occurs on-site or while under staff care and is not deliberately caused by self, employees or other persons (includes falls).
- **Vehicular Accident:** Any vehicular accident occurring while conducting agency business regardless of whether or not personnel are in a company vehicle or transporting clients. *See PB&J Program Policy and Procedure Manual Section 5: Transportation.*
- **Violence and / or Aggression (includes physical altercations):** Any act of violence or aggression by employees or clients in which other employees and / or clients are subjected. Includes client as initiator or victim of physical attack resulting in physical injury to other client or employee.
- **Use or Possession of a Weapon:** Any use or possession of a weapon by employee or client in a treatment facility or during service provision off-site. *See PB&J Program Policy and Procedure Manual Section 7.10: Prohibition of Weapons and/or Violence.*
- **Use or Possession of Licit or Illicit Substances:** Includes use or possession of licit or illicit substances by employees or clients on-site or during service provision off-site, as well as possession of contraband in treatment facilities. *See PB&J Employee Manual Section 4.9: Substance Abuse.*
- **Fire Setting or Property Damage:** Fires started (accidental or intentional) or any damage to PB&J property while client engaged in service or during staff employment.
- **Suspension of Clients' Rights Incidents:** Any incident where a client's right (i.e. confidentiality, suspension from services, passive physical restraint / involuntary hold) is suspended.
- **Community Complaint:** Agency, PB&J personnel or Operations.
- **Client complaints of a serious nature/ Formal Grievances:** *See PB&J Program Policy and Procedure Manual Section 3.8: Client Right of Appeal/Grievance.*
- **Miscellaneous:** Media involvement, other incidents that may expose the agency to risk. *See PB&J Employee Manual Section 4.11: Coordinating Media Relations and PB&J Program Policy and Procedure Manual Section 11.4: Coordinating Media Relations.*

### ***Prevention Efforts***

#### **Reporting near miss and other risk situations**

Includes any situation that could have resulted in incidents described above without appropriate response or situations and/or re-occurrences involving clients or personnel and which may place

the agency and/or clients at risk in the absence of preventative interventions. Examples include client clinical issues, risk management issues, environmental events, etc.

Reported Near Miss situations are addressed as a standing agenda item at each team meeting and forwarded to the Health and Safety Committee for recommendations and action, when appropriate.

The Health and Safety committee analyzes trends discovered as a result of quarterly review. Recommendations are forwarded to the Executive Team for action.

### ***Incident Reporting to External Sources***

PB&J reports major client incidents to appropriate external funding and/or credentialing agents within twenty-four (24) hours of Executive Management involvement. Minor incidents characterized by minor illness or injury and not requiring emergency services are not reported.

Any incidents of suspected abuse, neglect or exploitation are reported regardless of the suspected origin of the abuse, neglect or exploitation. Incidents other than abuse / neglect or exploitation are reported only when the event occurred while the client was under the direct care and responsibility of PB&J service provider(s).

Homebased and case management client incidents which did not occur during service hours, other than death of a client or abuse and neglect, are not reported externally.

Death of a client enrolled in certified services is reported immediately to Licensing and Certification Authority (LCA). Within twenty-four (24) hours, written documentation will be provided to the LCA and the Medicaid Services provider agencies.

### ***Maintenance and Storage of Reports***

Incident reports are confidential, legal documents and must be handled as such. Documents are stored in a secured incident file.

Specific reports may be placed in client case records when relevant to care. All incident reports will be handled in a manner that meets the requirements of *PB&J's Program Policy and Procedure Manual Section 3.17: Maintenance of Client Records and Section 3.18: Retention of Client Records*.

### ***Workplace Investigations***

Each incident report is reviewed upon completion. Executive Management will determine whether or not a workplace investigation is warranted. See *PB&J Program Policy and Procedure Manual Appendix: Workplace Investigation Guidelines and Form and PB&J Employee Manual Section 6.5: Workplace Investigations*.

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Section 11: Administrative Policies  
Procedure  
11.1.b: Critical Incident Analysis  
*Staff Reviewed: September 2025*

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A summary review of all critical incident reports (with special focus on formal complaints and/or grievances) is conducted yearly to analyze causes and identify trends of incidents in order to develop action plans and address areas in need of improvement. This analysis is an important risk management and prevention activity and is a data point from which decision-making occurs.

The report will share action steps taken in response to incidents and their results. A trend analysis should include issues surrounding location, time of, personnel involved in, and types of both incidents and interventions. The report should outline further recommendations such as environmental modifications, staff training, policy or procedure changes, etc.

The Health and Safety Committee, through its annual report to the Executive Team will provide this summary analysis of incidents it has received. The Clinical Director will also provide an annual report to the Executive Team on those clinically related incidents, which were not forwarded to the Health and Safety Committee.

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Section 11: Administrative Policies  
Policy  
11.2: Maintenance of Administrative Records  
*Board Approved: February 2008*

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PB&J provides and establishes procedural safeguards to protect and insure confidentiality of administrative records, whether records are electronically or manually maintained. Safeguards include but are not limited to:

- limitation of access to records to authorized individuals;
- maintenance of a suitable indexing and filing system;
- implementation of controls so that the locations of all essential records will be known at any time;
- secure and reasonable protection of records against fire, water damage, and other hazards; and
- implementation of routine procedures which will include the backup of electronic data files.

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Section 11: Administrative Policies  
Procedure  
11.2.a: Maintenance of Administrative Records  
*Staff Reviewed: September 2025*

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Administrative records are stored in locked file cabinets reasonably protected against fire, water damage, and other hazards at each site, as applicable.

- the Executive Director and designees will have access to the files;
- back-ups for electronically maintained financial files are stored in a fire-proof locking safe;
- procedures for indexing and filing are consistent with recognized office procedures including personal computer access codes;
- files remain locked, except during regular office hours; and
- specific permission must be granted by the Executive Director or designees to view files.

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Section 11: Administrative Policies  
Procedure

11.3: Documentation and Retention of HIPAA Documentation

*Staff Reviewed: January 2017 & September 2025*

*Board Approved: December 8<sup>th</sup>, 2023*

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The CPO and/or designee maintain originals of the following for **ten (10)** Years from the date of creation or from the date they were last in effect:

- all PB&J privacy policies and procedures and related forms;
- PB&J's Notice of Privacy Practices including all revisions made to the notice;
- privacy-training reports for workforce members;
- workforce members disciplinary action as a result of improper disclosure of PCI;
- standard protocols for the routine or recurring use or disclosure of PCI; and
- written client complaints regarding PB&J privacy practices.

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Section 11: Administrative Policies  
Policy

11.4: Coordinating Media Relations

*Board Approved: February 2008*

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The Executive Director, or the President of the Board of Directors (or a Board Member designated by the President) if the Executive Director is not available, will be the coordinating source for all media relations, news releases, inquiries or announcements.

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Section 11: Administrative Policies  
Procedure

11.4.a: Coordinating Media Relations

*Staff Reviewed: September 2025*

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Generating Media Communications – The positive image of the agency depends in part upon effective media relations. The agency’s media relations policy and procedures are part of our strategy designed to enhance the agency’s image and credibility among all public and private audiences. Media message from PB&J may be issued only by the Executive Director or a pre-approved designated representative.

Handling Media Inquiries – Under no circumstance should media inquiry relating to any of PB&J’s programs be answered without prior consultation with the Executive Director or President of the Board of Directors.

Discussion of Circumstance or Cause – PB&J employees, volunteers, or Board members will not speculate regarding the circumstances surrounding or cause of any crisis, disaster, accident, or incident. Only when outside personnel (fire, police departments) have ascertained the cause of a particular disaster will statements be made to the media, and only by a pre-approved authorized PB&J representative.

Release of Information – The Executive Director or President of the Board of Directors will control the release of all information regarding a crisis, accident, incident or disaster situation. Protection of clients, employees and confidential agency documents/information will be of primary consideration.

Emergency Notification – Notification of any serious agency emergencies should follow the following reporting sequence;

1. The Executive Director should be notified first. If the Executive Director is unavailable, the President of the Board will be informed of the nature of the emergency.

2. Arrangements will be made by the Executive Director, President of the Board or designee to contact all Board of Directors within twelve hours of the emergency.

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Section 11: Administrative Policies  
Procedure

11.4.b: Prevention of Misrepresentation in Media Relations

*Staff Reviewed: September 2025*

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It is not the intent of the media relations policy to restrict in any way what an employee may communicate to their friends or family, or coworkers, the reality is that whatever is posted on the internet, no matter how much control the poster seems to have at the time of the post, can be and often is used for negative purposes. The person posting to a social media site relinquishes control of the information as soon as it is posted. Because of the nature of the technology involved, the content of posts made to the internet are, for all intents and purposes, public and permanent in nature, even if they are not intended to be when initially posted. It is this public and permanent nature which makes it necessary to urge caution and common sense when posting to social media sites to prevent employees from being mischaracterized as if they are speaking for the agency when they are neither intending to do so nor authorized to do so. Remember that employee posts on social media sites may form the perception of this agency in the community.

Employees are reminded that activity on social media sites should not interfere with their own work or that of their co-workers', nor should it interfere with the agency's operations. Employees are prohibited from disclosing confidential agency information via social media sites or through any other unauthorized means. Additionally, employees should be aware that all of the agency's policies prohibiting discrimination, harassment, or hostility on account of age, religion, sex, sexual orientation, nationality, disability, or other protected basis apply to information posted on social media sites.

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Section 11: Administrative Policies  
Policy

11.5: Protocol for Investigations of Allegations of Potential Child Abuse,  
Neglect or Exploitation by PB&J Personnel

*Board Approved: April 2009*

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PB&J promptly and properly investigates and reports as required, any suspicion of child abuse or neglect allegedly committed by PB&J personnel.

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Section 11: Administrative Policies  
Procedure

11.5.a: Protocol for Investigations of Allegations of Potential Child Abuse,  
Neglect or Exploitation by PB&J Personnel

*Staff Reviewed: September 2025*

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In the event of allegations or direct knowledge of child abuse, neglect or exploitation being committed by PB&J personnel, the following procedure shall be followed:

Should a client complaint precipitate, or a co-worker/supervisor have reason to believe that a PB&J employee engaged in child abuse, neglect or exploitation, an immediate workplace investigation will occur. *See PB&J Employee Manual Section 6.5: Workplace Investigation and PB&J Program Policy and Procedure Manual Section 11.1: Critical Incident.*

PB&J must assess and document investigation results within 24 hours. The workplace investigation will assess the following:

- the immediate safety of the clients, staff, and/or the agency;
- whether there is reason to believe that abuse, neglect or exploitation took place; and
- duration of employee suspension from employment pending further investigation;

PB&J will immediately report the results of its investigation to external authorities as required by state or federal laws.

***PB&J Procedures during External Investigations***

If an external authority determines further investigation is warranted, PB&J will:

- make available to appropriate authorities necessary records and pertinent information not deemed privileged; and
- cooperate with reasonable investigative procedures.

*See PB&J Program Policy and Procedure Manual Section 9.1: Cases of Child Abuse, Neglect or Exploitation and Section 9.2: Cases of Elderly Abuse, Neglect or Exploitation.* Failure to report suspected child and/or elder abuse, neglect or exploitation may lead to disciplinary action up to and including termination.

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Section 11: Administrative Policies  
Policy  
11.6: HIPAA Compliance Plan  
*Board Approved: February 2008*

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PB&J has developed a system of safeguards, policies, training, and sanctions to guard data integrity, confidentiality and availability.

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Section 11: Administrative Policies  
Procedure  
11.6.a: HIPAA Compliance Plan  
*Staff Reviewed: September 2025*

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PB&J's HIPAA compliance plan consists of and is implemented through various program and personnel policies and procedures, as well as agency training plans, all of which ensure agency compliance with HIPAA. PB&J Program Policies and Procedures include but are not limited to:

- Section 3.2: Client Rights of Confidentiality/HIPAA
- Section 3.5: HIPAA Rights – Voluntary
- Section 3.6.a: Alternate Means of Communication (HIPAA)
- Section 3.8: Client Right of Appeal/Grievance
- Section 3.10.a: Minimum Necessary Information
- Section 3.11: Release of Information
- Section 3.12: Client Access to Family Files
- Section 3.13.a: Uses and Disclosures to Business Associates
- Section 3.14.a: Accounting of Disclosures (HIPAA)
- Section 3.15.a: Amending PCI (HIPAA)
- Section 3.16.a: Setting Restrictions (HIPAA)
- Section 3.16.b: Terminating Restrictions
- Section 11.3: Documentation and Retention of HIPAA Documentation
- Section 11.7: Security of Individual Health Information
- Section 11.8: Research
- Section 11.9: De-Identified Protected Client Information
- Appendix: Glossary
- Appendix: Notice of Privacy Practices

---

Section 11: Administrative Policies  
Policy

11.7: Security of Individual Health Information

*Board Approved: February 2008*

---

PB&J is a covered entity under the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule. PB&J has policies and procedures that comply with the requirements of the Rule and trains all workforce members in the application of these policies and procedures. These policies and procedures are updated whenever the HIPAA Privacy Rule changes or when PB&J's privacy practices change, provided those practices are in compliance with the HIPAA Privacy Rule.

PB&J does not require clients to waive their rights under the HIPAA Privacy Rule as a condition of the provision of services. Furthermore, PB&J mitigates, to the extent practical, any harmful effect it is aware of from the use or disclosure of protected client health information that violates PB&J's privacy policies and procedures, whether the use or disclosure was made by a workforce member or by a PB&J business associate.

---

Section 11: Administrative Policies  
Procedure

11.7.a: Security of Individual Health Information (HIPAA)

*Staff Reviewed: September 2025*

---

PB&J has a variety of procedures which serve to secure individual health information (including protected client information).

All staff is trained in HIPAA regulations as well as PB&J's policies regarding security of private information. Staff shall take every reasonable measure to safeguard protected information from any intentional or unintentional use or disclosure that is in violation of the standards.

---

Section 11: Administrative Policies  
Procedure

11.7.b: Privacy Officers  
*Staff Reviewed: September 2025*

---

PB&J has designated a Chief Privacy Officer (CPO). The CPO, and or their designee, is responsible for the following:

- development and implementation of the privacy policies and procedures;
- training all members of the PB&J workforce (existing and new) regarding PB&J's privacy policies and procedures that are appropriate for their functions in the agency;
- receiving client complaints regarding rights guaranteed under PB&J's privacy policies and procedures,
- conducting periodic audits of compliance with PB&J's privacy policy and procedures;
- and

---

Section 11: Administrative Policies  
Procedure

11.7.c: Workforce Training  
*Staff Reviewed: September 2025*

---

All PB&J employees shall complete HIPAA Privacy training as follows:

- members of the PB&J workforce hired prior to April 4, 2003 shall complete HIPAA Privacy training no later than April 14, 2003.
- new employees shall receive the training within five (5) working days of hire;
- members of the PB&J workforce whose job functions change shall receive additional role-specific training within ten (10) working days of the change in job functions; and
- non-workforce volunteers shall receive Basic HIPAA Privacy Training within five (5) days of placement.

Documentation of completion of training for each member of the PB&J workforce shall be maintained in individual personnel files. *See PB&J Employee Manual Section 5.6: Competency Training Regulations.*

---

Section 11: Administrative Policies  
Procedure  
11.7.d: Workforce Sanctions  
*Staff Reviewed: September 2025*

---

***Inadvertent Disclosure***

Employees who fail to comply with PB&J's privacy policies and procedures are subject to disciplinary action under PB&J's employee corrective discipline policy. *See PB&J Employee Manual Section 6.1: Corrective Discipline.* In addition to documentation required by the disciplinary process, the CPO shall maintain documentation of the sanctions that are applied, if any.

Non-employee workforce members who inadvertently disclose PCI shall be given a written notice and additional training after their first offense. After the second offence, the non-employee workforce member may be dismissed.

***Deliberate Disclosure***

A workforce member (employee or non-employee) may be discharged from employment/service if unauthorized, deliberate disclosure of PCI is determined through a workforce investigation process.

Staff and clients are protected against adverse impact or retaliation as a result of participating in workplace investigations. *See PB&J Employee Manual Section 6.5: Workplace Investigations.*

---

Section 11: Administrative Policies  
Policy  
11.8: Research  
*Board Approved: February 2008*

---

We, the Board of Directors of PB&J, recognize that research projects in which clients of the agency participate may yield important information which will be of help to those clients or to future clients in similar situations and to the staff of PB&J. For this reason, we will consider for approval research proposals which have been approved by the researcher's Institutional Board and approved by the Research Review Committee of PB&J.

---

Section 11: Administrative Policies  
Procedure  
11.8.a: Research  
*Staff Reviewed: September 2025*

---

All proposed research projects will be presented to the Executive Director to determine whether the project is appropriate for PB&J. The Executive Director will then present the research project to the Research Review Committee of PB&J. They will review the research project and inform the program of their decision.

All research projects must comply with the agency's Code of Ethical Standards and Professional Conduct as well as HIPAA and other regulations.

---

Section 11: Administrative Policies  
Procedure  
11.9: De-identified Protected Client Information  
*Staff Reviewed: January 2025*

---

PB&J may use PCI to create information that is not individually identifiable health information as long as the information cannot be used to reconstruct the identity of any client. Information shall be considered de-identified if it is stripped of critical data elements that could be used to identify the client or relatives, employers, or household members of the client:

- Any unique identifying number, characteristic, code or other data, including:
  - names;
  - all geographic subdivisions smaller than a state, including street address, city, county, precinct, and zip code;
  - all elements of dates (except year) for dates directly related to a client, including birth date, admission date, discharge date, date of death; and all ages over 89 and all elements of dates (including year) indicative of such age, except that such ages and elements may be aggregated into a single category of age 90 or older;
  - telephone numbers;
  - fax numbers;
  - e-mail addresses;
  - social security numbers;
  - medical record numbers;
  - health plan beneficiary numbers;
  - account numbers;
  - certificate/license numbers;
  - vehicle identifiers and serial numbers, including license plate numbers;
  - device identifiers and serial numbers;
  - web Universal Resource Locators (URLs);
  - Internet Protocol (IP) address numbers;
  - biometric identifiers, including finger and voice prints; and
  - full face photographic images and any comparable images; and
- Any information that can be used alone or in combination with other information to identify a client who is a subject of the information.

---

Section 11: Administrative Policies  
Policy

11.10: Legal Requirements

*Board Approved: February 2008*

---

As a non profit organization, PB&J adheres to its registered Articles of Incorporation and Bylaws, which legally regulate the organization. As a responsible organization, PB&J conforms to requirements articulated in contract mandates. Accordingly, an annual independent audit is conducted and the final document is reviewed and accepted by the Board of Directors.

Appropriate corrective action is initiated as needed. *See PB&J Program Policy and Procedure Manual Section 13.5: Annual Fiscal Audit.*

---

Section 11: Administrative Policies  
Policy

11.11: External Audit Response  
*Board Approved: February 2008*

---

PB&J receives an exit report in the event of an external audit. If there is corrective action requested, management will formulate an action plan to coordinate the follow-up.

PB&J has the right to challenge an audit as detailed in external audit standards.

---

Section 11: Administrative Policies  
Procedure

11.11.a: External Audit Response  
*Staff Reviewed: January 2025*

---

The Executive Team is responsible for utilizing information from external audits for use in programmatic decision making. In as such, at least one Executive Team member shall be present at every external audit exit interview. As well, staff shall ensure that written exit reports are directed to the attention of an Executive Team member.

Regardless of the format of the external audit feedback, the Executive Team member who is directly involved shall provide feedback to the Executive Director within the same working day. As well she/he shall bring the feedback to the next Executive Team meeting.

If corrective action and/or recommendations are requested, the team shall formulate an action plan (with specific timelines and person(s) responsible) to address the request.

The Executive Director shall assign appropriate staff to address the challenge. The Executive Team shall provide their input. Activities, responses and outcomes shall be documented.

If the results are positive, the team shall formulate an action plan (with specific timelines and person(s) responsible) to notify and/or acknowledge staff.

---

Section 11: Administrative Policies  
Policy

11.12: Use of Volunteers

*Board Approved: February 2008*

---

PB&J may use volunteers as appropriate.

---

Section 11: Administrative Policies  
Procedure

11.12.a: Use of Volunteers

*Staff Reviewed: January 2025*

---

All volunteers are interviewed by the Human Resources Director or his/her designee and assigned a placement and supervisor. Placement will be made based on the volunteer's interest. Long term volunteers have the opportunity for specific training experiences.

Volunteers will be oriented by the Human Resource Director, and/or his/her designee concerning all aspects of PB&J's procedures including confidentiality and HIPAA. Volunteers will not have access to client files without permission of their staff supervisor.

Volunteers working in excess of 20 hours per week will have a file maintained containing relevant information which may include but may not be limited to emergency contacts, background checks, job description, etc. Files are kept separate from paid employee files.

---

Section 11: Administrative Policies  
Policy  
11.13: Student Training  
*Board Approved: February 2008*

---

Students from accredited educational institutions may be accepted to work at PB&J sites.

---

Section 11: Administrative Policies  
Procedure  
11.13.a: Student Training  
*Staff Reviewed: January 2025*

---

Students are invited to engage in training opportunities at our sites. In general, the time, type and depth of experience and supervision is flexible, to be worked out for the mutual benefits of the student and the agency. In all cases, students will be under the jurisdiction of the Program Director or his/her designee and face to face supervision between the staff supervisor and the student will be ongoing.

In many cases, other agencies are involved with our clients. The relationships we share are generally cooperative and for the purpose of offering the most comprehensive services possible to our families. The student's role in these relationships will be determined between their staff supervisor and the student.

All written assignments relating to PB&J families must be submitted to the PB&J supervisor prior to their submission. It is most essential never to submit written reports to another agency without the supervisor's prior approval. All case material on PB&J families must be disguised in order to protect client confidentiality rights.

All policies on client rights must be strictly enforced.

---

Section 11: Administrative Policies  
Procedure  
11.14.a: Specialized Consultants  
*Staff Reviewed: January 2025*

---

When deemed appropriate for the continued improvement of business operations and program management, PB&J will engage specialized consultants for advice and assistance. All consultants engaged by PB&J to perform work on a contract basis and who have access to PCI will sign a Business Associate Agreement in accordance with HIPAA guidelines.

### Van Maintenance

1. Oil Changes will be scheduled at 4500 miles and done no later than 5000 miles.
2. Tire Rotation will be done every 7000 miles
3. Transmission service will be done every 30,000 miles.

# PRE-TRIP INSPECTION SHEET

Name \_\_\_\_\_ Vehicle# \_\_\_\_\_ Date \_\_\_\_\_

## UNDER THE HOOD

BAD ?	SAFE	ITEM TO BE CHECKED	WHAT TO LOOK FOR
___	___	Fluid Leaks	Puddles on the ground under the bus
___	___	Oil Level	Add only if below "add" mark on dipstick
___	___	Belts Alt. & P. Steering	Should be tight & free of cracks & chips on inside surface
___	___	Power Steering Fluid	Note "Full Cold" & "Full Hot" marks on the dipstick
___	___	Coolant Level	Note "Full Cold" & "Full Hot" marks on the reservoir
___	___	Battery	Fluid level, corrosion & cables should be tight
___	___	Windshield Washer Fluid	Check the level
___	___	Hoses & Miscellaneous	Cracks, swelling or leaks in hoses. Broken or loose things
___	___	Automatic Transmission Oil	Check with vehicle level, transmission warm & engine idling in park. Does the fluid look brown or smell burnt?

## FROM THE DRIVER'S SEAT

BAD ?	SAFE	ITEM TO BE CHECKED	WHAT TO LOOK FOR
___	___	Brake Warning Light	Lights with the key in the "cranking" position
___	___	Brake Light & Back Up Lights	Have someone check visually, or use a mirror
___	___	Turn Signal Indicators	Check only the indicators on the dash
___	___	Wipers & Washers	Check both speeds, look for streaks. Check washer aim
___	___	Fans	Check all speeds by sound
___	___	Mirrors & Front Windows	Are they clean & unbroken? Are mirrors adjusted?

### TURN ON THE HEADLIGHTS OR BRIGHTS, HAZARD FLASHERS AND CLEARANCE LAMPS

## WALK AROUND THE VEHICLE

BAD ?	SAFE	ITEM TO BE CHECKED	WHAT TO LOOK FOR
___	___	Adjust Outside Mirrors	Use the driver's seat as a reference
___	___	Wheels	Check the tread depth & uniformity. Check lug nuts.
___	___	Tire Pressure	R. Front ___ L. Front ___ L. Rear ___ R. Rear ___
___	___	All Lamps	Blown out bulbs or broken lenses
___	___	Differential & R. Wheel Leaks	Gear oil on differential or inside surface of rear wheels
___	___	Emergency Door	Check for sound of buzzer in case of opening
___	___	Exhaust	Put foot over pipe & feel pressure & listen for leaks
___	___	Lift	Operate down & up, look for low power, loose joints or binding
___	___	Body	It is clean? Are there new dents or scrapes?

## BACK ON THE BUS

BAD ?	SAFE	ITEM TO BE CHECKED	WHAT TO LOOK FOR
___	___	Rear Windows, Seats & Floor	Are they clean? Are there cracks in windows, or cuts on seats?
___	___	Escape Windows & Vents	Check for ease of opening & sound of buzzers
___	___	Fire Extinguisher	Charge indications. Shake or lightly pound it
___	___	First Aid Kit	Is it complete? Are there wrappers on the packets?
___	___	Triangular reflectors	Cracks or broken pieces
___	___	Gauges on the Dash	Fuel level, coolant temperature, charging rate & oil pressure
___	___	Horn(s)	Listen for both tones
___	___	Dash Lights	Bad bulbs & variable adjustment
___	___	Brakes	Pulling or grabbing
___	___	Steering	Looseness or pulling

- \_\_\_ Always remember to check Tires & Spare Tire Daily
- \_\_\_ Check Seatbelt Cutter once a week
- \_\_\_ Check Shocks once a week
- \_\_\_ Check Bio Hazard Kit once a week
- \_\_\_ Check Seat Belts once a week
- \_\_\_ Check flashlight and reflective vest once a week

DRIVER'S MAINTENANCE LOG

DATE:

DRIVER'S NAME:

UNIT NO:

WHAT WAS DONE TO VEHICLE:

BUSINESS NAME:

TOTAL PARTS AND LABOR:

MILEAGE:





PB&J Family Services, Inc.  
Vehicle Check

**PB&J**  
FAMILY SERVICES

Mileage Log

	Day	Final Reading	Staff Initials
Week of (Month/Day):	Monday:		
Beginning Mileage:	Tuesday:		
	Wednesday:		
	Thursday:		
	Friday:		
	Total Weekly Mileage:		

Fuel Log

Date	# of Gallons	Cost per Gallon	Total Price	Mileage

Staff Signature \_\_\_\_\_ Staff ID#: \_\_\_\_\_



# COMMUNITY AGENCY INCIDENT REPORT (CAIR)

(Please type or print legibly)

## Section I, Identifying Information

- Program:**
- |                                      |  |                                   |
|--------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> FIT Bern    | <input type="checkbox"/> FIT SE              | <input type="checkbox"/> FIT SV   |
| <input type="checkbox"/> Pre-K Bern  | <input type="checkbox"/> Pre-K SE            | <input type="checkbox"/> Pre-K SV |
| <input type="checkbox"/> CTF - Bern  | <input type="checkbox"/> City of Albuquerque | <input type="checkbox"/> JCC      |
| <input type="checkbox"/> Art Therapy | <input type="checkbox"/> Home Visiting       | <input type="checkbox"/> CBPIR    |
|                                      | <input type="checkbox"/> BCC ACEs            | <input type="checkbox"/> MDC      |

**Site:**  South Valley     Bernalillo     Southeast Heights

Other location (please describe and provide address): \_\_\_\_\_

Address: \_\_\_\_\_ City, State \_\_\_\_\_ Zip Code: \_\_\_\_\_

(Select from group 1 or group 2, not both)

**Type of Incident:**

or

**Group 1** (Forward to QI)

<b><u>ABUSE</u></b>	<b><u>NEGLECT</u></b>	<b><u>EXPLOITATION</u></b>
<input type="checkbox"/> physical	<input type="checkbox"/> physical	<input type="checkbox"/> financial exploitation
<input type="checkbox"/> sexual	<input type="checkbox"/> medical	
<input type="checkbox"/> verbal	<input type="checkbox"/> environmental	
<input type="checkbox"/> emotional		

Emergency services required?  
All must be reported to APS/CPS Central Intake/  
(for notifications see Section 3)

**Group 2** (Forward to Health & Safety)

<b><u>DEATH</u></b>	<b><u>OTHER REPORTABLE</u></b>
<input type="checkbox"/> unexpected	<input type="checkbox"/> not suspected of abuse or neglect
<input type="checkbox"/> natural/expected	<input type="checkbox"/> environmental hazard
<input type="checkbox"/> suspected abuse or neglect [call APS/CPS]	<input type="checkbox"/> law enforcement intervention
	<input type="checkbox"/> other, explain: _____

### Client Information:

Name of Client: \_\_\_\_\_  
First
Middle
Last

Client ID: \_\_\_\_\_ Family ID: \_\_\_\_\_ Gender:  Male  Female Date of Birth: \_\_\_\_\_

Residence Address: \_\_\_\_\_ Phone: \_\_\_\_\_  
Street Address
City, State
Zip

## Section II, Description of Incident

(Staff person with most direct knowledge of incident fill out this section)

Person responsible for client's support at time of incident: \_\_\_\_\_

Date incident occurred: \_\_\_\_\_ Time: \_\_\_\_\_  AM  PM  Unknown

**Where did the incident happen?** [ check one ]  Consumer's Home  Family's Home  Vehicle  Worksite

Community Activity  Day Program  School  Hospital  Unknown  Other: \_\_\_\_\_



PB&J Family Services Inc.



# COMMUNITY AGENCY INCIDENT REPORT (CAIR)

(Please type or print legibly)

Who else was present at the time of the incident?

<u>Name</u>	<u>Title or Relationship</u>	<u>Phone</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Describe what you saw and/or what you heard in order of occurrence:

**Before the incident:**

**During the incident:**

**Description of Intervention/First Aid administered:**

**After the incident:**

**Follow-up actions:** (describe actions to protect/treat the individual, including medical intervention if any)

Person completing section II: \_\_\_\_\_ Phone: \_\_\_\_\_ Title or Relationship: \_\_\_\_\_

## Section III, Notifications

	<u>Persons Contacted</u> First & Last Name	<u>Date</u>	<u>Time</u>	<u>Person Making Contact</u>
APS/CPS Statewide Central				
Intake (abuse, neglect, exploitation only) (800-797-3260):	_____	_____	_____	_____
DOH Fax (800-584-6057) Or (505-827-1491):	_____	_____	_____	_____
Legal Guardian/Parent/Foster Parent:	_____	_____	_____	_____

Phone: \_\_\_\_\_ Agency: \_\_\_\_\_ Street Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_



PB&J Family Services Inc.

# COMMUNITY AGENCY INCIDENT REPORT (CAIR)

(Please type or print legibly)

	<u>Persons Contacted</u> First & Last Name	<u>Date</u>	<u>Time</u>	<u>Person Making Contact</u>
Case Worker/ Social Worker: Agency: _____	_____	_____	_____	_____
Phone: _____ Street Address: _____ City, State: _____ Zip: _____				
Law Enforcement: Agency: _____	_____	_____	_____	_____
DOH Licensing & Certification:		_____		
PB&J Safety Committee:		_____		
Other:	_____	_____	_____	_____

## Section IV, Administrative Information

**Funding Sources:** [please check all that apply]:  CYFD Licensing & Certification  Behavioral Health  DD Early Childhood  
 Family Infant Toddler  Other: \_\_\_\_\_

**Follow-Up Actions Taken:** [other than actions described in section II, describe administrative, health & safety, and treatment actions taken to address the incident, protect, or address the current health status of the initial 24 hours]:

### Plans for Follow-Up Action:

Person completing section IV: \_\_\_\_\_ Phone: \_\_\_\_\_ Title or Relationship: \_\_\_\_\_

Date: \_\_\_\_\_ Time Form was Completed: \_\_\_\_\_

Reviewed By: \_\_\_\_\_ Date: \_\_\_\_\_

Site Director: \_\_\_\_\_ Date: \_\_\_\_\_

Immediate Supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

Health & Safety Committee: \_\_\_\_\_ Date: \_\_\_\_\_

Additional information may be faxed to DOH/DHI at 800-584-6057 or 505-827-1491. Please reference the consumer and the date of the incident.



# PB&J Family Services, Inc Community Complaint

**PB&J**  
FAMILY SERVICES

## Part I

### General Information

Date Received : \_\_/\_\_/\_\_

Date Occurrence: \_\_/\_\_/\_\_

Vehicle Description and Location: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Nature of Complaint: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Complainant Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Staff Person Receiving Complaint: \_\_\_\_\_

## Part II

### Action Taken

Verified Driver Name: \_\_\_\_\_

Vehicle #: \_\_\_\_\_

Previous Complaint: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Summary and Action Taken: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



**PB&J FAMILY SERVICES, INC.  
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED  
JUNE 30, 2024, AND 2023**

**PB&J FAMILY SERVICES, INC.  
AND AFFILIATE**

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**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
OFFICIAL ROSTER (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

**BOARD OF DIRECTORS**

Angie Vachio	President
Barbara Bergman	Vice-President
Ramona Lujan	Treasurer
Stewart Duban	Secretary
Angela Adam	Member
Lawrence Apodaca	Member
Heidi Brown	Member
Julio Chavez	Member
Caroline Dailey	Member
Megan Fino-Velasquez	Member
Luis Hernandez Jr.	Member
Louise Kahn	Member
Peter Klages	Member
Debbie O'Malley	Member
Vinita Paul	Member
Anna Torres	Member
Isaiah Torres	Member

**ADMINISTRATION**

Jennifer Thompson	Executive Director
Miriam Flores	Finance Manager



## Independent Auditors' Report

To the Board of Directors of  
PB&J Family Services, Inc.  
Albuquerque, New Mexico

### Opinion

We have audited the accompanying consolidated financial statements of PB&J Family Services, Inc. (a nonprofit organization), and affiliate (the Organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization and affiliate as of June 30, 2024, and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



[www.tkm.cpa](http://www.tkm.cpa)



(505) 822 5100



(505) 822 5106



## **Auditors' 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 auditors' 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 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 consolidated 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2025, 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 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 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.

*JKM, LLC*  
TKM, LLC  
Auditors | Advisors | CPAs

Albuquerque, New Mexico  
September 18, 2025

## **CONSOLIDATED FINANCIAL STATEMENTS**

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30,**

<b>ASSETS</b>	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash and Cash Equivalents		
Without Donor Restrictions	\$ 2,302,864	\$ 606,157
With Donor Restrictions	239,492	72,770
Accounts Receivable	546,669	430,368
Other Receivables	3,548	3,548
Prepaid Expenses	<u>69,735</u>	<u>44,293</u>
<b>Total Current Assets</b>	<b><u>3,162,308</u></b>	<b><u>1,157,136</u></b>
Noncurrent Assets:		
Investment - Permanent Endowment (Donor Restricted)	40,004	37,390
Investment - Permanent Endowment (Board Designated)	93,343	87,243
Other Investments, Net	1,000	1,000
Property and Equipment, Net	301,600	152,514
Right-to-Use Asset, Finance Lease	<u>27,225</u>	<u>38,490</u>
<b>Total Noncurrent Assets</b>	<b><u>463,172</u></b>	<b><u>316,637</u></b>
<b>Total Assets</b>	<b><u>\$ 3,625,480</u></b>	<b><u>\$ 1,473,773</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts Payable	\$ 88,856	\$ 97,584
Accrued Expenses	212,875	190,435
Finance Lease Liability, Current	<u>11,907</u>	<u>10,567</u>
<b>Total Current Liabilities</b>	<b><u>313,638</u></b>	<b><u>298,586</u></b>
Noncurrent Liabilities:		
Finance Lease Liability, Noncurrent	<u>19,499</u>	<u>31,406</u>
<b>Total Noncurrent Liabilities</b>	<b><u>19,499</u></b>	<b><u>31,406</u></b>
<b>Total Liabilities</b>	<b><u>333,137</u></b>	<b><u>329,992</u></b>
 <b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	2,919,504	946,378
Board Designated - Permanent Endowment	93,343	87,243
With Donor Restrictions	<u>279,496</u>	<u>110,160</u>
<b>Total Net Assets</b>	<b><u>3,292,343</u></b>	<b><u>1,143,781</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 3,625,480</u></b>	<b><u>\$ 1,473,773</u></b>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE, GAINS AND SUPPORT</b>			
Contracts and Grants	\$ 4,537,567	\$ -	\$ 4,537,567
Contributions	2,188,235	259,795	2,448,030
Noncash Exchange of Services	235,324	-	235,324
Gain (Loss) on Investment	(1,702)	2,614	912
Miscellaneous Income	7,119	-	7,119
<b>Total Revenue, Gains and Support</b>	<b>6,966,543</b>	<b>262,409</b>	<b>7,228,952</b>
 <b>Net Assets Released from Restrictions</b>	 93,073	 (93,073)	 -
 <b>Total Revenue, Gains and Support</b>	 7,059,616	 169,336	 7,228,952
 <b>EXPENSES</b>			
Program Services			
Preschool	2,715,276	-	2,715,276
Home-Based	1,075,163	-	1,075,163
ImPACT	744,374	-	744,374
<b>Total Program Services</b>	<b>4,534,812</b>	<b>-</b>	<b>4,534,812</b>
 Support Services			
Property Management	1,257	-	1,257
Management and General	519,076	-	519,076
Fundraising	25,245	-	25,245
<b>Total Support Services</b>	<b>545,578</b>	<b>-</b>	<b>545,578</b>
<b>Total Expenses</b>	<b>5,080,390</b>	<b>-</b>	<b>5,080,390</b>
 <b>Net Increase (Decrease) in Net Assets</b>	 1,979,226	 169,336	 2,148,562
Net Assets, Beginning of Year	1,033,621	110,160	1,143,781
<b>Net Assets, End of Year</b>	<b>\$ 3,012,847</b>	<b>\$ 279,496</b>	<b>\$ 3,292,343</b>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, GAINS AND SUPPORT</b>			
Contracts and Grants	\$ 3,666,847	\$ -	\$ 3,666,847
Contributions	274,101	25,092	299,193
Noncash Exchange of Services	231,411	-	231,411
Gain (Loss) on Investment	(1,032)	2,266	1,234
Miscellaneous Income	30,553	-	30,553
<b>Total Revenue, Gains and Support</b>	<b>4,201,880</b>	<b>27,358</b>	<b>4,229,238</b>
 <b>Net Assets Released from Restrictions</b>	 21,645	 (21,645)	 -
 <b>Total Revenue, Gains and Support</b>	 4,223,525	 5,713	 4,229,238
 <b>EXPENSES</b>			
Program Services			
Preschool	2,803,895	-	2,803,895
Home-Based	980,086	-	980,086
ImPACT	498,288	-	498,288
<b>Total Program Services</b>	<b>4,282,269</b>	<b>-</b>	<b>4,282,269</b>
 Support Services			
Property Management	1,257	-	1,257
Management and General	538,054	-	538,054
Fundraising	97,895	-	97,895
<b>Total Support Services</b>	<b>637,206</b>	<b>-</b>	<b>637,206</b>
<b>Total Expenses</b>	<b>4,919,475</b>	<b>-</b>	<b>4,919,475</b>
 <b>Net Increase (Decrease) in Net Assets</b>	 (695,950)	 5,713	 (690,237)
Net Assets, Beginning of Year	1,729,571	104,447	1,834,018
<b>Net Assets, End of Year</b>	<b>\$ 1,033,621</b>	<b>\$ 110,160</b>	<b>\$ 1,143,781</b>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services			Support Services			Total
	Preschool	Home-Based	ImPACT	Property Management	Management and General	Fundraising	
<b>Expenses</b>							
Salaries	\$ 1,768,418	\$ 712,041	\$ 492,119	\$ -	\$ 131,580	\$ 1,555	\$ 3,105,713
Payroll Taxes	155,305	93,780	54,414	-	-	-	303,498
Employee Benefits	168,369	59,433	41,920	-	17,378	-	287,100
<b>Total Personnel</b>	<u>2,092,092</u>	<u>865,254</u>	<u>588,453</u>	<u>-</u>	<u>148,958</u>	<u>1,555</u>	<u>3,696,311</u>
In-kind Rent	183,509	15,943	15,943	-	19,929	-	235,324
Building and Occupancy	115,261	47,385	6,181	-	34,784	-	203,611
Supplies	124,992	22,183	29,371	-	3,855	767	181,168
Administrative & Support Fee	-	-	-	-	227,645	-	227,645
Family Support	9,827	43,408	33,478	-	4,044	-	90,757
Professional Services	5,672	-	12,183	-	60,028	3,990	81,873
Travel	51,641	33,680	32,234	-	553	60	118,168
Miscellaneous	3,797	2,913	6,048	-	6,431	-	19,189
Insurance	50,149	20,569	2,869	-	1,146	-	74,733
Repairs and Maintenance	15,852	25	-	-	4,721	-	20,598
Education and Training	3,686	9,646	3,033	-	2,498	-	18,863
Printing and Publishing	8,447	2,606	1,994	-	391	-	13,438
Subscriptions and Publications	2,435	10,682	9,573	-	1,674	18,873	43,237
Equipment Rental	3,440	48	43	-	1,922	-	5,453
Postage and Shipping	2,533	821	586	-	497	-	4,437
<b>Total Other Expenses</b>	<u>581,241</u>	<u>209,909</u>	<u>153,536</u>	<u>-</u>	<u>370,118</u>	<u>23,690</u>	<u>1,338,494</u>
Depreciation and Amortization	41,943	-	2,385	1,257	-	-	45,585
Interest	-	-	-	-	-	-	-
<b>Total Expenses</b>	<u>\$ 2,715,276</u>	<u>\$ 1,075,163</u>	<u>\$ 744,374</u>	<u>\$ 1,257</u>	<u>\$ 519,076</u>	<u>\$ 25,245</u>	<u>\$ 5,080,390</u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services			Support Services			Total
	Preschool	Home-Based	ImPACT	Property Management	Management and General	Fundraising	
<b>Expenses</b>							
Salaries	\$ 1,845,242	\$ 632,545	\$ 349,203	\$ -	\$ 270,031	\$ 22,822	\$ 3,119,843
Payroll Taxes	148,604	83,292	37,482	-	33,632	2,638	305,648
Employee Benefits	143,688	57,086	24,525	-	20,501	600	246,400
<b>Total Personnel</b>	<u>2,137,534</u>	<u>772,923</u>	<u>411,210</u>	<u>-</u>	<u>324,164</u>	<u>26,060</u>	<u>3,671,891</u>
In-kind Rent	192,696	21,973	16,742	-	-	-	231,411
Building and Occupancy	145,663	37,167	13,049	-	119,387	-	315,266
Supplies	127,620	25,550	8,962	-	6,646	2,011	170,789
Family Support	13,405	33,693	18,060	-	-	-	65,158
Professional Services	17,825	888	135	-	44,498	4,638	67,984
Travel	45,946	20,857	18,638	-	503	22	85,966
Miscellaneous	7,312	30,107	3,523	-	12,013	30,935	83,890
Insurance	48,767	14,988	2,593	-	6,747	-	73,095
Repairs and Maintenance	13,843	-	126	-	4,245	-	18,214
Education and Training	6,896	19,282	2,222	-	868	495	29,763
Printing and Publication	5,280	1,217	-	-	1,228	-	7,725
Subscriptions and Publications	874	159	478	-	14,125	31,545	47,181
Equipment Rental	2,327	-	-	-	1,914	-	4,241
Postage and Shipping	1,489	382	165	-	807	2,189	5,032
<b>Total Other Expenses</b>	<u>629,943</u>	<u>206,263</u>	<u>84,693</u>	<u>-</u>	<u>212,981</u>	<u>71,835</u>	<u>1,205,715</u>
Depreciation and Amortization	32,513	-	2,385	1,257	-	-	36,155
Interest	3,905	900	-	-	909	-	5,714
<b>Total Expenses</b>	<u>\$ 2,803,895</u>	<u>\$ 980,086</u>	<u>\$ 498,288</u>	<u>\$ 1,257</u>	<u>\$ 538,054</u>	<u>\$ 97,895</u>	<u>\$ 4,919,475</u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,**

	2024	2023
<b>Cash Flow From Operating Activities</b>		
Cash Received From Grants and Contracts	\$ 4,421,266	\$ 3,582,524
Cash Received From Contributions	2,448,030	299,193
Cash Received From Other Sources	7,119	30,553
Cash Paid to Employees and Suppliers	(4,811,211)	(4,593,291)
Interest Paid	-	(5,714)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>2,065,204</b>	<b>(686,735)</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Equipment	(187,790)	37,763
Purchase of Endowment Investments	69,352	(12,542)
Sale of Endowment Investments	-	23
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(118,438)</b>	<b>25,244</b>
<b>Cash Flow From Financing Activities</b>		
Finance Lease Payments	(10,567)	(9,378)
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>(10,567)</b>	<b>(9,378)</b>
<b>Net Increase (Decrease) - Cash and Cash Equivalents</b>	<b>1,936,199</b>	<b>(670,869)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>606,157</b>	<b>1,349,796</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>2,542,356</b>	<b>678,927</b>
<b>Less: Donor Restrictions</b>	<b>(239,492)</b>	<b>(72,770)</b>
<b>Net Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,302,864</b>	<b>\$ 606,157</b>
<b>Reconciliation of Change in Net Assets to Net Cash:</b>		
Change in Net Assets	\$ 2,148,562	\$ (690,237)
Depreciation and Amortization	45,585	36,155
Net Realized / Unrealized Gains / Losses on Investments	(912)	(1,234)
<b>Change in:</b>		
Accounts Receivable	(116,301)	(83,349)
Other Receivables	-	(974)
Prepaid Expenses	(25,442)	9,472
Accounts Payable	(8,728)	27,644
Accrued Expenses	22,440	15,788
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 2,065,204</b>	<b>\$ (686,735)</b>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization & Nature of Operations

PB&J Family Services, Inc. (PB&J) was established in 1972 in Albuquerque, NM as a non-profit organization focused on helping to create a community of happy and healthy families. The organization continues its mission of child abuse prevention through parent education and case management services. PB&J continues to innovate and meet the needs of the community that it serves through comprehensive programs and services. The following programs and services are representative of the work done at PB&J.

*Preschool* - Center based programs such as NM Pre-K, Children's Support Group, and Parenting Program are delivered at the offices of PB&J. These programs serve children and families with education meant to develop new skills for a brighter future.

*ImPACT* - PB&J delivers services to incarcerated parents and youth through programs such as Juvenile Community Corrections and the Metro Detention Center program. These programs are intended to reach an underserved population with education, life skills, case management, and resource referrals.

*Home-Based* - PB&J offers home based programs such as Home Visiting, Family Infant Toddler Program, and Community Based Prevention, Intervention, and Reunification. The home-based programs at PB&J are meant to decrease barriers for families and deliver services in the family familiar environment. These programs offer parent education, case management, child development, and resource referrals to the families that they serve.

Peanut Butter & Jelly, Inc. Property Corporation (the Corporation) is a New Mexico not-for-profit corporation established in 1994. The Corporation was established to provide management of property specially designed for use by client families services to meet their physical, social emotional and psychological needs, and to promote their health, security, happiness and usefulness. The Corporation is an affiliate of PB&J.

Principles of Consolidation

PB&J is financially interrelated through control and economic interest to another not-for-profit organization, Peanut Butter & Jelly, Inc. Property Corporation (the "Corporation"). Generally accepted accounting principles in the United States of America require the financial statements of PB&J and the Corporation to be consolidated (the "Organization"). All significant inter-organization accounts and transactions have been eliminated.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

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

***Net Assets Without Donor Restrictions*** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s Board of Directors may designate assets without assets without restrictions for specific operational purposes from time to time. The net assets without donor restrictions represent the investment in undesignated assets, investment in designated assets, and amounts invested in property and equipment, less accumulated depreciation and amortization and any related debt.

***Net Assets with Donor Restrictions*** – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passages 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 revenue when the assets are placed in service. Contributions restricted by donors are reported as increases in net assets without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all short-term highly liquid instruments to be cash equivalents provided they are both readily convertible to cash and had an original maturity of three months or less when purchased.

Accounts Receivable

Accounts receivable is stated at face value. Management uses historical experience applied to an aging of accounts. Accounts receivables are written off when deemed uncollectible, when all efforts result in non-collection. No interest is charged on late receivables. Receivables are considered past due if the balance is outstanding for more than 90 days.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Allowance for Doubtful Accounts

An allowance for doubtful accounts has not been provided as management believes that all receivables are fully collectible.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional and legally enforceable. If a donor states an intent to give rather than a promise to give, contributions are recorded in the year payment is received. Contributions that are restricted by donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Pledges receivable were \$0 and \$0 at June 30, 2024 and 2023, respectively.

Financial Instruments

The Organization's financial instruments consist of accounts receivable and accounts payable. It is management's opinion that the Organization is not exposed to significant interest rate or credit risks arising from these instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying value. The maximum potential loss from credit risk is equal to the carrying value. The Organization does not require collateral on these financial instruments.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the estimated fair value on the date of donation. Expenditures for property and equipment in excess of \$1,000 or more are capitalized and depreciated on a straight-line basis over their estimated useful life. Replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are expensed as incurred. Lives of property and equipment are as follows:

Building and Leasehold Improvements	15-30 years
Furniture and Equipment	3-15 years
Vehicles	3-5 years

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contract Service Revenue

The Organization receives revenue from federal, state and local contracts on a cost reimbursement, lump sum and a per-unit-served basis. These contracts and grants are for services performed by the Organization and, accordingly have been accounted for as exchange type transactions. A majority of these contracts are with various agencies of the State of New Mexico and make up a significant portion of the Organization's revenues.

Contracts and grants revenue are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Organization recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured. Income from service fees received in advance are deferred and recognized over the periods to which the dates and fees relate.

Contributions Revenue

Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give are recorded at the present value of their net realizable value, using risk -free interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Grants and contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. All grant receivables are considered collectable. Grants and other contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, or (ii) contracts for which the amount of revenue recognized is based on the amount to which the Organization has the right to invoice the customer for services performed.

Unearned Revenue

Occasionally, the Organization will receive funding that contains specific conditions that must be met by the Organization or the funds will revert back to the grantor or source. Because these funds are conditional, the funding is recorded as unearned revenue and deferred until such time as the conditions are met. At that point in time, the contract, grant or contribution income is recognized. As of June 30, 2024, and 2023 there were unearned revenues of \$0 and \$0, respectively.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Taxes

PB&J is exempt from income taxes under Section 501(c)(3). The Corporation is exempt under Section 501(c)(2), of the Internal Revenue Code. Both organizations have been designated as other than private foundations.

The Organization would record a liability for uncertain tax positions when it became probable that a loss has been incurred and the amount can be reasonably estimated. Interest would be recognized and accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. Expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings are continually evaluated. Expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings are continually evaluated. As of June 30, 2024, and 2023, no liabilities for uncertain tax positions have been recorded. The Organization's tax returns for the fiscal years ended 2021 to 2024, by statute, may be subject to normal federal and state examination.

Investments

Endowment funds are invested with the Albuquerque Community Foundation in a pooled fund of marketable securities valued at net realizable value, as determined by quoted prices as provided by the investment manager, who pools all funds and allocates investments activity to each fund accordingly. All investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Beneficial Interest in Assets Held by Community Foundation

On November 7, 2007, the Organization established an "Agency Endowment Fund" (Agreement) at the Albuquerque Community Foundation (Foundation) with an initial contribution of \$50,000 from the Organization's funding sources and another \$10,010 from donors of Angie's Legacy. The Agreement and all contributions made to the fund are irrevocable. Under the terms of the Agreement, the Foundation may substitute another beneficiary in place of the Organization if the Organization ceases to be a qualified charitable organization. The Board of Trustees of the Foundation can modify the provisions of the Agreement designating use of the endowment if the purposes for which it was created ever become obsolete, incapable of fulfillment, or inconsistent with the charitable purposes of the Foundation. Annual distributions are calculated in accordance with the Foundation's distribution policy and can be used by the Organization or can be added to the principal of the endowment.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Beneficial Interest in Assets Held by Community Foundation (Continued)

*Accounting Standards Codification (ASC) 958-605* - Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others, establishes standards for transactions in which a donor transfers assets to a not-for-profit organization or charitable trust that accepts the contribution with the stipulation that the recipient organization use those assets, the return on investment of those assets, or both, on behalf of the beneficiary that is specified by the donor. ASC 958-605 specifically requires a not-for-profit organization that establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund and grants the community foundation unilateral variance power must account for the transfer of such assets as an asset on its financial statements. Accordingly, the Organization has recognized the transfer to the Foundation of the \$50,000 as an asset called "permanent endowment", included with other assets in the statements of financial position. The donations to Angie's Legacy of \$10,010 were given to the Organization with the intent that the Organization would be the beneficiary of any earnings. Variance power was not explicitly granted by the original donors to the community foundation, and so these funds are also considered an asset of the Organization.

Endowment Classification

The State of New Mexico passed House Bill 454, effective July 1, 2009, requiring New Mexico organizations with endowments to adhere to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The law states that a not-for-profit organization that is subject to an enacted version of the UPMIFA shall classify a portion of a donor-restricted endowment fund of perpetual duration as permanently restricted net assets. The amount classified as permanently restricted shall be either a) the amount of the fund that must be retained permanently in accordance with explicit donor stipulations or b) the amount of the fund that, in the absence of explicit donor stipulations, the Organization's governing board determines must be retained permanently consistent with the relevant law.

The original donors of the endowment funds did not explicitly state that the funds were to remain in perpetuity, and the Organization's board of directors interpreted New Mexico's UPMIFA law and do not conclude that the State of New Mexico requires endowment funds to remain in perpetuity in lieu of explicit donor stipulations. Accordingly, the Organization has classified the donor endowment funds as temporarily restricted, until the funds are used for their intended purpose, and have included the endowment with other long-term assets in the statements of financial position.

Donated Services and Materials

The Organization recognizes donated services that require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Such donations are reported at their estimated fair market value at the date of the donation as unrestricted support. Donated materials are recorded at the fair market value of the materials on the date of donation.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional Expense Allocations

Expenses are charged directly to program and supporting services based on specific identification, when possible. Costs benefiting more than one function are allocated based on measures such as management's estimates of time spent, square footage, etc. Significant expenses that are at least partially allocated include occupancy, supplies, travel, miscellaneous, and insurance. The allocation method for these costs is based on time and effort.

Operating Cycle

The majority of the Organization's income is derived from state and federal contracts and grants. The lengths of the contracts vary, but they are generally one year or less.

**NOTE 2. CASH AND CASH EQUIVALENTS**

As of June 30, 2024, and 2023, the carrying amount of the Organization's cash was \$2,542,356 and \$678,927, respectively, which includes \$300 cash on hand for both years.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and investments. The Organization maintains its available cash in a long-established financial institution. At times during the year, the Organization's cash deposits may exceed Federal Deposit Insurance Corporation (FDIC) insurance limits. The accounts were insured up to \$250,000 under FDIC coverage per customer through June 30, 2024, and 2023. The Organization's cash balances exceeded FDIC limits as follows at June 30.:

<u>Institution</u>	<u>2024</u>	<u>2023</u>
Wells Fargo	\$ 2,542,056	\$ 678,627
Petty Cash	300	300
<b>Total Reconciled Cash Balances</b>	<b><u>\$ 2,542,356</u></b>	<b><u>\$ 678,927</u></b>
Bank Balance	\$ 2,573,908	\$ 693,559
Less: Insured by FDIC	<u>(250,000)</u>	<u>(250,000)</u>
<b>Uncollateralized and Uninsured Balances</b>	<b><u>\$ 2,323,908</u></b>	<b><u>\$ 443,559</u></b>

The Organization's cash balances included donor restricted cash of \$ 239,492 and \$72,770 at June 30, 2024 and 2023, respectively.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 3. INVESTMENTS**

***Investment Foundation***

The Albuquerque Community Foundation (ACF) manages the investments for the Organization. ACF creates and manages a pooled investment fund consisting of equity, U.S. Government Securities, bond mutual funds and cash.

	<b>Target %</b>	<b>Range %</b>
Total Equity	50%	40 - 60%
Total Fixed Income / Cash	12%	2 - 22%
Total Real Estate	10%	5 - 15%
Total Real Assets	5%	0 - 15%
Total Multi-Strategy	10%	0 - 20%
Total Private Equity	13%	3 - 23%
<b>Total</b>	100%	100%

The Organization is subject to investment credit risk. Investment credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations.

***FAIR VALUE MEASUREMENTS***

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

***Basis of Fair Value Measurement***

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Organization has the ability to access.

**Level 2** - Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 3. INVESTMENTS (CONTINUED)**

Investments, at fair value, consist of the following as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
Public Equity	\$ 55,834	\$ -	\$ -	\$ 55,834
Private Equity	-	-	14,669	14,669
Fixed Income	16,182	-	-	16,182
Real Assets	6,170	-	-	6,170
Real Estate	-	-	17,822	17,822
Multi-Strategy	-	-	20,252	20,252
Cash Equivalents	2,418	-	-	2,418
Other	-	-	1,000	1,000
<b>Total Investments at Fair Market Value</b>	<u>\$ 80,604</u>	<u>\$ -</u>	<u>\$ 53,743</u>	<u>\$ 134,347</u>

Investments, at fair value, consist of the following as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
Public Equity	\$ 53,610	\$ -	\$ -	\$ 53,610
Private Equity	-	-	13,918	13,918
Fixed Income	14,454	-	-	14,454
Real Assets	5,616	-	-	5,616
Real Estate	-	-	18,733	18,733
Multi-Strategy	-	-	18,009	18,009
Cash Equivalents	293	-	-	293
Other	-	-	1,000	1,000
<b>Total Investments at Fair Market Value</b>	<u>\$ 73,973</u>	<u>\$ -</u>	<u>\$ 51,660</u>	<u>\$ 125,633</u>

The Organization's other investments consists of the following at June 30,

<u>Type</u>	<u>2024</u>	<u>2023</u>
Cemetary Plot	\$ 1,000	\$ 1,000
Interest in Oil Wells	25,000	25,000
Less: Depletion in Oil Wells	(25,000)	(25,000)
<b>Total Other Investments</b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

There was no depletion expense for the years ended June 30, 2024, and 2023. The carrying value of investments above approximates fair value.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 4. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30, 2024:

	<u>Balance at 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer</u>	<u>Balance at 6/30/2024</u>
<b>Property and Equipment Not Being Depreciated:</b>					
Land	\$ 67,306	\$ -	\$ -	\$ -	\$ 67,306
<b>Total Property and Equipment Not Being Depreciated</b>	<u>67,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,306</u>
<b>Property and Equipment Being Depreciated:</b>					
Buildings and Leasehold Improvements	757,417	9,083	-	-	766,500
Furniture and Equipment	652,263	95,878	4,509	-	743,632
Vehicles	459,360	82,829	-	-	542,189
<b>Total Property and Equipment Being Depreciated</b>	<u>1,869,040</u>	<u>187,790</u>	<u>4,509</u>	<u>-</u>	<u>2,052,321</u>
Less: Accumulated Depreciation	<u>(1,783,832)</u>	<u>(34,195)</u>	<u>-</u>	<u>-</u>	<u>(1,818,027)</u>
<b>Property and Equipment, Net</b>	<u>\$ 152,514</u>	<u>\$ 153,595</u>	<u>\$ 4,509</u>	<u>\$ -</u>	<u>\$ 301,600</u>

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

	<u>Balance at 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer</u>	<u>Balance at 6/30/2023</u>
<b>Property and Equipment Not Being Depreciated:</b>					
Land	\$ 67,306	\$ -	\$ -	\$ -	\$ 67,306
<b>Total Property and Equipment Not Being Depreciated</b>	<u>67,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,306</u>
<b>Property and Equipment Being Depreciated:</b>					
Buildings and Leasehold Improvements	752,443	4,974	-	-	757,417
Furniture and Equipment	675,800	32,789	-	(56,326)	652,263
Vehicles	459,360	-	-	-	459,360
<b>Total Property and Equipment Being Depreciated</b>	<u>1,887,603</u>	<u>37,763</u>	<u>-</u>	<u>(56,326)</u>	<u>1,869,040</u>
Less: Accumulated Depreciation	<u>(1,765,513)</u>	<u>(36,155)</u>	<u>-</u>	<u>17,836</u>	<u>(1,783,832)</u>
<b>Property and Equipment, Net</b>	<u>\$ 189,396</u>	<u>\$ 1,608</u>	<u>\$ -</u>	<u>\$ (38,490)</u>	<u>\$ 152,514</u>

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 4. PROPERTY AND EQUIPMENT (CONTINUED)**

As a result of the implementation of FASB 2016-02, Leases, the Organization's equipment lease previously presented as property and equipment in the amount of \$56,326 has been reclassified as lease right-to-use asset for the year ended June 30, 2023.

Vans with net book values in the amount of \$80,068 as of June 30, 2024, and 2023, are restricted as to their use as designated by granting agencies under government contracts and are included in total vehicle cost. Included in the original vehicles cost above are in-kind donations from the New Mexico State Highway and Transportation Department which represents 80% of the cost of the vans, or \$178,129.

Depreciation expense was \$34,195 and \$36,155 for the years ended June 30, 2024, and 2023, respectively.

**NOTE 5. LEASE RIGHT-TO-USE ASSETS**

Lease Right-to-Use Assets consisted of the following at June 30, 2024 and 2023:

	<b>Balance at 7/1/2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/2024</b>
<b>Right of Use Assets, Finance Lease:</b>				
Finance Lease - Equipment	\$ 56,326	\$ -	\$ -	\$ 56,326
<b>Total Right of Use Assets, Finance Lease</b>	<u>56,326</u>	<u>-</u>	<u>-</u>	<u>56,326</u>
<b>Less: Accumulated Amortization for:</b>				
Finance Lease - Equipment	(17,836)	(11,265)	-	(29,101)
<b>Total Accumulated Amortization</b>	<u>(17,836)</u>	<u>(11,265)</u>	<u>-</u>	<u>(29,101)</u>
<b>Right of Use Assets, Finance Lease, Net</b>	<u>\$ 38,490</u>	<u>\$ (11,265)</u>	<u>\$ -</u>	<u>\$ 27,225</u>
	<b>Balance at 7/1/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/2023</b>
<b>Right of Use Assets, Finance Lease:</b>				
Finance Lease - Equipment	\$ 56,326	\$ -	\$ -	\$ 56,326
<b>Total Right of Use Assets, Finance Lease</b>	<u>56,326</u>	<u>-</u>	<u>-</u>	<u>56,326</u>
<b>Less: Accumulated Amortization for:</b>				
Finance Lease - Equipment	(6,571)	(11,265)	-	(17,836)
<b>Total Accumulated Amortization</b>	<u>(6,571)</u>	<u>(11,265)</u>	<u>-</u>	<u>(17,836)</u>
<b>Right of Use Assets, Finance Lease, Net</b>	<u>\$ 49,755</u>	<u>\$ (11,265)</u>	<u>\$ -</u>	<u>\$ 38,490</u>

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 5. LEASE RIGHT-TO-USE ASSETS (CONTINUED)**

Amortization expense was \$11,265 and \$11,265, for the years ended June 30, 2024 and 2023, respectively, and is included with depreciation expense in the statement of functional expenses.

**NOTE 6. LEASE LIABILITY**

Finance Leases

As a result of the implementation of FASB 2016-02, Leases, the Organization's lease previously presented as a capital lease in the amount of \$51,351 has been reclassified as a finance lease liability for the year ended June 30, 2023.

	<b>Balance at 7/1/2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/2024</b>	<b>Due Within One Year</b>
Finance Lease Liability	\$ 41,973	\$ -	\$ (10,567)	\$ 31,406	\$ 11,907
	<u>\$ 41,973</u>	<u>\$ -</u>	<u>\$ (10,567)</u>	<u>\$ 31,406</u>	<u>\$ 11,907</u>
	<b>Balance at 7/1/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/2023</b>	<b>Due Within One Year</b>
Finance Lease Liability	\$ 51,351	\$ -	\$ (9,378)	\$ 41,973	\$ 10,567
	<u>\$ 51,351</u>	<u>\$ -</u>	<u>\$ (9,378)</u>	<u>\$ 41,973</u>	<u>\$ 10,567</u>

The Organization leases equipment under a finance lease arrangement. There is no escalation clause for the equipment lease. There are no variable payments that are not included in the lease liability calculation. There are no residual value guarantees that are not included in the lease liability calculation. The Organization used interest rate of 12.00% stated in the lease agreement to calculate the present value of the equipment.

The future payment obligations on the lease is as follows:

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 11,907	\$ 3,128	\$ 15,035
2026	13,418	1,618	15,036
2027	6,081	184	6,265
2028	-	-	-
2029	-	-	-
<b>Total</b>	<u>\$ 31,406</u>	<u>\$ 4,930</u>	<u>\$ 36,336</u>

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 7. RETIREMENT PLAN**

PB&J maintains a qualified 403(b) retirement plan. Eligible employees may defer a portion of their salary under this plan. At the discretion of the Board of Directors, the PB&J contributes a discretionary match of salaries for all eligible employees. The plan has no age requirement and employees may participate immediately. Employer matching is 100% vested after two years of service. The total employer contributions made for the years ended June 30, 2024, and June 30, 2023, was \$11,990 and \$13,111, respectively, with no additional discretionary contributions for either year.

**NOTE 8. NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED**

Board designated net assets include an endowment established in 2007 for investment purposes. The balance in the endowment as of June 30, 2024, and 2023 was \$93,343 and \$87,243, respectively.

**NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	<u>2024</u>	<u>2023</u>
<b>Subject to expenditure for specified purpose:</b>		
ImPACT Program	\$ 29,220	\$ 31,605
Angie's Legacy - Endowment	40,004	37,390
Wilderness Program	6,710	6,827
Holiday Wish	30,212	3,440
Kerri's Fund	937	937
Keeping the Lights on Program	2,012	2,235
ABQ SV Preschool	21,473	19,582
Bernalillo Preschool	7,978	1,478
SE Heights Preschool	9,166	6,666
Outdoor Equity Fund	33,863	-
Robert T. Keeler Foundation	97,921	-
<b>Total Net Assets with Donor Restrictions</b>	<u>\$ 279,496</u>	<u>\$ 110,160</u>

**NOTE 10. ENDOWMENT FUNDS**

Since June 30, 2009, the Organization has followed the Albuquerque Community Foundation's policies with regard to investing and spending. The Albuquerque Community Foundation's policies stipulate that annual distributions will be calculated (not to exceed 5% of the value of the endowment) for PB&J's spending. However, PB&J can make the determination to leave any annual distributions in the endowment to continue to grow. As of June 30, 2024, PB&J has not taken an annual distribution from the endowment funds. If funds were to be taken as a distribution, the Board of Directors would make the recommendation as to the purpose of the funds to be spent.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 10. ENDOWMENT FUNDS (CONTINUED)**

Changes in endowment net assets are as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Endowment Net Assets, June 30, 2022</b>	\$ 81,957	\$ 35,124	\$ 117,081
Investment Income, net of expenses	92	40	132
Net Appreciation (Realized and Unrealized)	5,194	2,226	7,420
Change in Endowment Net Assets	5,286	2,266	7,552
<b>Endowment Net Assets, June 30, 2023</b>	<u>\$ 87,243</u>	<u>\$ 37,390</u>	<u>\$ 124,633</u>
Investment Income, net of expenses	580	248	828
Net Appreciation (Realized and Unrealized)	5,520	2,366	7,886
Change in Endowment Net Assets	6,100	2,614	8,714
<b>Endowment Net Assets, June 30, 2024</b>	<u>\$ 93,343</u>	<u>\$ 40,004</u>	<u>\$ 133,347</u>

**NOTE 11. NONCASH EXCHANGE OF SERVICES**

PB&J has two primary locations. A portion of the main headquarters is leased from the County of Bernalillo with a portion owned by PB&J. The lease, dated July 1, 2005, is for a term of 5 years with options to renew the lease for up to an additional 25 years. In July 2010, the first option to renew for the first five-year term was approved. In July 2015, the second option to renew for an additional five-year term was approved. The terms of the lease call for annual rent of \$83,502. The rent is to be paid with cash equivalent services provided by PB&J for disabled and indigent residents of Bernalillo County. Any shortfall in provided services is to be paid in cash by PB&J to the County of Bernalillo.

PB&J opened a location in the Southeast Heights area of Albuquerque, NM in September 2011 and entered into a facility agreement with Bernalillo County. The lease is for a term of 5 years, with one additional five-year option which was renewed in 2017. The annual rent is \$78,750, and is to be paid with cash equivalent services provided by PB&J. Any shortfall is to be paid in cash by PB&J. In October 2022, the Organization renewed this lease for an initial term of 25 years. The initial annual payment is \$97,500 and increases by 3% annually on the anniversary date of the lease.

PB&J rents facilities from the Town of Bernalillo, NM under a lease that began in July 2014. The lease is for a term of 5 years. A new one-year lease for additional space began on July 1, 2023. A part of the consideration for these arrangements is the provision of space in exchange for the provision of services at the facilities. The annual rent on the new lease is \$69,492, and is to be paid with \$17,364 in cash and the remainder in cash equivalent services provided by PB&J. Any short fall in services provided by PB&J is to be paid in cash.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 11. NONCASH EXCHANGE OF SERVICES (CONTINUED)**

For the years ending June 30, 2024, and 2023, PB&J received and recognized \$235,324 and \$231,411, respectively, in in-kind rent in exchange for services. The services provided to the County of Bernalillo and the Town of Bernalillo were sufficient to cover the required annual services of the agreements.

Future minimum rents for all noncash exchange of services are as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2025	\$ 186,187
2026	189,267
2027	192,440
2028	195,708
2029	199,074
Thereafter	3,337,806
<b>Total</b>	<b>\$ 4,300,482</b>

**NOTE 13. AVAILABILITY AND LIQUIDITY**

The following table reflects the Organization's financial assets reduced by amounts not available for general use within one year of that date because of donor-imposed restrictions or internal designations at June 30,:

	<b>2024</b>	<b>2023</b>
Cash and Cash Equivalents	\$ 2,542,356	\$ 678,927
Receivables	550,217	433,916
<b>Subtotal</b>	3,092,573	1,112,843
Net Assets With Donor Restrictions (Less Endowment)	(239,492)	(72,770)
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b>\$ 2,853,081</b>	<b>\$ 1,040,073</b>

The available resources would cover more than three months of expenditures even if no revenue was received during that time period. The majority of the Organization's revenues come from contracts with the State of New Mexico, which in some cases pass through from the federal government.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2024, AND 2023**

**NOTE 14. ECONOMIC DEPENDENCE**

PB&J has contracts with various State and Federal agencies. Significant revenues of PB&J include funding from New Mexico Children Youth and Families Department (CYFD) and Medicaid. Revenues from these sources were approximately 40% and 58% for the years ended June 30, 2024, and 2023, respectively.

**NOTE 15. SUBSEQUENT EVENTS**

Management evaluated all activity through September 18, 2025, the date the financial statements were available to be issued. There are no other matters identified for recognition in the financial statements at June 30, 2024.

## **COMPLIANCE SECTION**



## 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

To the Board of Directors of  
PB&J Family Services, Inc.  
Albuquerque, New Mexico

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 PB&J Family Services, Inc. (a nonprofit organization) and affiliate (the Organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 18, 2025.

### 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 opinions on the consolidated financial statements, but not for the purpose of expressing an opinion of 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, nor 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.



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## 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.

*TKM, LLC*  
TKM, LLC  
Auditors | Advisors | CPAs

Albuquerque, New Mexico  
September 18, 2025

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2024**

**Section I. Summary of Audit Results**

Financial Statements:

- |   |            |
|---|------------|
| 1. Type of Auditors' Report Issued:                                   | Unmodified |
| 2. Internal Control Over Financial Reporting:                         |            |
| a. Material weaknesses identified?                                    | No         |
| b. Significant deficiencies identified?                               | No         |
| c. Noncompliance material to consolidated financial statements noted? | No         |



**PB&J FAMILY SERVICES, INC.  
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED  
JUNE 30, 2023 AND 2022**

**PB&J FAMILY SERVICES, INC.  
AND AFFILIATE**

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**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
OFFICIAL ROSTER (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023**

**BOARD OF DIRECTORS**

Angie Vachio	President
Barbara Bergman	Vice-President
Ramona Lujan	Treasurer
Stewart Duban	Secretary
Angela Adam	Member
Lawrence Apodaca	Member
Heidi Brown	Member
Julio Chavez	Member
Caroline Dailey	Member
Megan Fino-Velasquez	Member
Luis Hernandez Jr.	Member
Louise Kahn	Member
Peter Klages	Member
Debbie O'Malley	Member
Vinita Paul	Member
Anna Torres	Member
Isaiah Torres	Member

**ADMINISTRATION**

Jennifer Thompson	Co-Executive Director
Felicia Tapia-Alvidrez	Co-Executive Director
Miriam Flores	Finance Manager



## Independent Auditors' Report

To the Board of Directors of  
PB&J Family Services, Inc.  
Albuquerque, New Mexico

### Opinion

We have audited the accompanying consolidated financial statements of PB&J Family Services, Inc. (a nonprofit organization), and its related affiliate, Peanut Butter & Jelly, Inc. Property Corporation (a corporation), collectively referred to as the Organization which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 the Organization as of June 30, 2023 and 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



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## **Auditors' 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 auditors' 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 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 consolidated 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2024, 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 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 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.

*TKM, LLC*

TKM, LLC  
Auditors | Advisors | CPAs

Albuquerque, New Mexico  
April 30, 2024

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30,**

<b>ASSETS</b>	<u>2023</u>	<u>2022</u>
Current Assets:		
Cash and Cash Equivalents		
Without Donor Restrictions	\$ 606,157	\$ 1,349,796
With Donor Restrictions	72,770	69,325
Accounts Receivable	430,368	347,019
Other Receivables	3,548	2,574
Prepaid Expenses	<u>44,293</u>	<u>53,765</u>
<b>Total Current Assets</b>	<u><b>1,157,136</b></u>	<u><b>1,822,479</b></u>
Noncurrent Assets:		
Investment - Permanent Endowment (Donor Restricted)	37,390	35,124
Investment - Permanent Endowment (Board Designated)	87,243	81,957
Other Investments, Net	1,000	1,000
Property and Equipment, Net	152,514	189,396
Right-to-Use Asset, Finance Lease	<u>38,490</u>	<u>-</u>
<b>Total Noncurrent Assets</b>	<u><b>316,637</b></u>	<u><b>307,477</b></u>
<b>Total Assets</b>	<u><b>\$ 1,473,773</b></u>	<u><b>\$ 2,129,956</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts Payable	\$ 97,584	\$ 69,940
Accrued Expenses	190,435	174,647
Finance Lease Liability, Current	<u>10,567</u>	<u>9,378</u>
<b>Total Current Liabilities</b>	<u><b>298,586</b></u>	<u><b>253,965</b></u>
Noncurrent Liabilities:		
Finance Lease Liability, Noncurrent	<u>31,406</u>	<u>41,973</u>
<b>Total Noncurrent Liabilities</b>	<u><b>31,406</b></u>	<u><b>41,973</b></u>
<b>Total Liabilities</b>	<u><b>329,992</b></u>	<u><b>295,938</b></u>
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	946,378	1,647,614
Board Designated - Permanent Endowment	87,243	81,957
With Donor Restrictions	<u>110,160</u>	<u>104,447</u>
<b>Total Net Assets</b>	<u><b>1,143,781</b></u>	<u><b>1,834,018</b></u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 1,473,773</b></u>	<u><b>\$ 2,129,956</b></u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2023</u>
<b>REVENUE, GAINS AND SUPPORT</b>			
Contracts and Grants	\$ 3,666,847	\$ -	\$ 3,666,847
Contributions	274,101	25,092	299,193
Noncash Exchange of Services	231,411	-	231,411
Gain (Loss) on Investment	(1,032)	2,266	1,234
Miscellaneous Income	30,553	-	30,553
<b>Total Revenue, Gains and Support</b>	<u>4,201,880</u>	<u>27,358</u>	<u>4,229,238</u>
<b>Net Assets Released from Restrictions</b>	<u>21,645</u>	<u>(21,645)</u>	<u>-</u>
<b>Total Revenue, Gains and Support</b>	<u>4,223,525</u>	<u>5,713</u>	<u>4,229,238</u>
<b>EXPENSES</b>			
Program Services			
Preschool	2,803,895	-	2,803,895
Home-Based	980,086	-	980,086
ImPACT	498,288	-	498,288
<b>Total Program Services</b>	<u>4,282,269</u>	<u>-</u>	<u>4,282,269</u>
Support Services			
Property Management	1,257	-	1,257
Management and General	538,054	-	538,054
Fundraising	97,895	-	97,895
<b>Total Support Services</b>	<u>637,206</u>	<u>-</u>	<u>637,206</u>
<b>Total Expenses</b>	<u>4,919,475</u>	<u>-</u>	<u>4,919,475</u>
<b>Net Increase (Decrease) in Net Assets</b>	(695,950)	5,713	(690,237)
Net Assets, Beginning of Year	<u>1,729,571</u>	<u>104,447</u>	<u>1,834,018</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,033,621</u>	<u>\$ 110,160</u>	<u>\$ 1,143,781</u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2022</u>
<b>REVENUE, GAINS AND SUPPORT</b>			
Contracts and Grants	\$ 3,924,889	\$ 110,575	\$ 4,035,464
Contributions	558,502	-	558,502
Noncash Exchange of Services	217,836	-	217,836
Gain (Loss) on Investment	6,968	(1,134)	5,834
Miscellaneous Income	22,890	-	22,890
<b>Total Revenue, Gains and Support</b>	<u>4,731,085</u>	<u>109,441</u>	<u>4,840,526</u>
<b>Net Assets Released from Restrictions</b>	<u>109,795</u>	<u>(109,795)</u>	<u>-</u>
<b>Total Revenue, Gains and Support</b>	<u>4,840,880</u>	<u>(354)</u>	<u>4,840,526</u>
<b>EXPENSES</b>			
Program Services			
Preschool	2,557,620	-	2,557,620
Home-Based	1,016,352	-	1,016,352
ImPACT	304,734	-	304,734
<b>Total Program Services</b>	<u>3,878,706</u>	<u>-</u>	<u>3,878,706</u>
Support Services			
Property Management	4,229	-	4,229
Management and General	499,013	-	499,013
Fundraising	111,669	-	111,669
<b>Total Support Services</b>	<u>614,911</u>	<u>-</u>	<u>614,911</u>
<b>Total Expenses</b>	<u>4,493,617</u>	<u>-</u>	<u>4,493,617</u>
<b>Net Increase (Decrease) in Net Assets</b>	347,263	(354)	346,909
Net Assets, Beginning of Year	1,369,742	104,801	1,474,543
Restatement, (Note 14)	12,566	-	12,566
Net Assets, Beginning of Year, As Restated	<u>1,382,308</u>	<u>104,801</u>	<u>1,487,109</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,729,571</u>	<u>\$ 104,447</u>	<u>\$ 1,834,018</u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services			Support Services			Total 2023
	Preschool	Home-Based	ImPACT	Property Management	Management and General	Fundraising	
<b>Expenses</b>							
Salaries	\$ 1,845,242	\$ 632,545	\$ 349,203	\$ -	\$ 270,031	\$ 22,822	\$ 3,119,843
Payroll Taxes	148,604	83,292	37,482	-	33,632	2,638	305,648
Employee Benefits	143,688	57,086	24,525	-	20,501	600	246,400
<b>Total Personnel</b>	<u>2,137,534</u>	<u>772,923</u>	<u>411,210</u>	<u>-</u>	<u>324,164</u>	<u>26,060</u>	<u>3,671,891</u>
In-kind Rent	192,696	21,973	16,742	-	-	-	231,411
Building and Occupancy	145,663	37,167	13,049	-	119,387	-	315,266
Supplies	127,620	25,550	8,962	-	6,646	2,011	170,789
Family Support	13,405	33,693	18,060	-	-	-	65,158
Professional Services	17,825	888	135	-	44,498	4,638	67,984
Travel	45,946	20,857	18,638	-	503	22	85,966
Miscellaneous	7,312	30,107	3,523	-	12,013	30,935	83,890
Insurance	48,767	14,988	2,593	-	6,747	-	73,095
Repairs and Maintenance	13,843	-	126	-	4,245	-	18,214
Education and Training	6,896	19,282	2,222	-	868	495	29,763
Printing and Publishing	5,280	1,217	-	-	1,228	-	7,725
Subscriptions and Publications	874	159	478	-	14,125	31,545	47,181
Equipment Rental	2,327	-	-	-	1,914	-	4,241
Postage and Shipping	1,489	382	165	-	807	2,189	5,032
<b>Total Other Expenses</b>	<u>629,943</u>	<u>206,263</u>	<u>84,693</u>	<u>-</u>	<u>212,981</u>	<u>71,835</u>	<u>1,205,715</u>
Depreciation	32,513	-	2,385	1,257	-	-	36,155
Interest	3,905	900	-	-	909	-	5,714
<b>Total Expenses</b>	<u>\$ 2,803,895</u>	<u>\$ 980,086</u>	<u>\$ 498,288</u>	<u>\$ 1,257</u>	<u>\$ 538,054</u>	<u>\$ 97,895</u>	<u>\$ 4,919,475</u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services			Support Services			Total 2022
	Preschool	Home-Based	ImPACT	Property Management	Management and General	Fundraising	
<b>Expenses</b>							
Salaries	\$ 1,687,491	\$ 648,804	\$ 197,966	\$ -	\$ 303,840	\$ 41,160	\$ 2,879,261
Payroll Taxes	143,858	85,678	22,505	-	29,655	4,044	285,740
Employee Benefits	166,426	68,916	19,699	-	53,143	7,239	315,423
<b>Total Personnel</b>	<u>1,997,775</u>	<u>803,398</u>	<u>240,170</u>	<u>-</u>	<u>386,638</u>	<u>52,443</u>	<u>3,480,424</u>
In-kind Rent	169,871	19,371	14,759	-	13,835	-	217,836
Building and Occupancy	129,128	30,690	6,367	-	10,283	-	176,468
Supplies	60,012	27,247	11,722	-	8,182	1,062	108,225
Professional Services	8,124	2,833	90	-	61,422	-	72,469
Travel	41,944	40,566	4,757	-	443	83	87,793
Miscellaneous	31,177	64,220	22,216	-	13,068	55,734	186,415
Insurance	54,281	13,205	2,512	-	-	-	69,998
Repairs and Maintenance	14,227	-	-	-	800	-	15,027
Education and Training	3,797	10,799	1,292	-	1,888	322	18,098
Printing and Publication	9,980	2,637	499	-	-	1,911	15,027
Equipment Rental	2,431	-	-	-	1,916	-	4,347
Postage and Shipping	1,637	385	50	-	42	-	2,114
<b>Total Other Expenses</b>	<u>526,609</u>	<u>211,953</u>	<u>64,264</u>	<u>-</u>	<u>111,879</u>	<u>59,112</u>	<u>973,817</u>
Depreciation	30,721	-	-	4,229	-	-	34,950
Interest	2,515	1,001	300	-	496	114	4,426
<b>Total Expenses</b>	<u>\$ 2,557,620</u>	<u>\$ 1,016,352</u>	<u>\$ 304,734</u>	<u>\$ 4,229</u>	<u>\$ 499,013</u>	<u>\$ 111,669</u>	<u>\$ 4,493,617</u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,**

	<b>2023</b>	<b>2022</b>
<b>Cash Flow From Operating Activities</b>		
Cash Received From Grants and Contracts	\$ 3,582,524	\$ 4,191,170
Cash Received From Contributions	299,193	558,502
Cash Received From Other Sources	30,553	22,890
Cash Paid to Employees and Suppliers	(4,593,291)	(4,256,562)
Interest Paid	(5,714)	(4,426)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>(686,735)</b>	511,574
<b>Cash Flow From Investing Activities</b>		
Purchase of Equipment	37,763	74,454
Purchase of Endowment Investments	(12,542)	(3,971)
Sale of Endowment Investments	23	1,330
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>25,244</b>	71,813
<b>Cash Flow From Financing Activities</b>		
Finance Lease Payments	(9,378)	(10,810)
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>(9,378)</b>	(10,810)
<b>Net Increase (Decrease) - Cash and Cash Equivalents</b>	<b>(670,869)</b>	572,577
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,349,796</b>	846,544
<b>Cash and Cash Equivalents, End of Year</b>	<b>678,927</b>	1,419,121
<b>Less: Donor Restrictions</b>	<b>(72,770)</b>	(69,325)
<b>Net Cash and Cash Equivalents, End of Year</b>	<b>\$ 606,157</b>	\$ 1,349,796
<b>Reconciliation of Change in Net Assets to Net Cash:</b>		
Change in Net Assets	\$ (690,237)	\$ 346,909
Depreciation	36,155	34,950
Net Realized / Unrealized Gains / Losses on Investments	(1,234)	(5,050)
<b>Change in:</b>		
Accounts Receivable	(83,349)	174,529
Other Receivables	(974)	343
Prepaid Expenses	9,472	(7,584)
Accounts Payable	27,644	(32,708)
Accrued Expenses	15,788	19,351
Unearned Revenue	-	(19,166)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ (686,735)</b>	\$ 511,574

See Independent Auditors' Report and Notes to Consolidated Financial Statements

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023, AND 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization & Nature of Operations

PB&J Family Services, Inc. (PB&J) was established in 1972 in Albuquerque, NM as a non-profit organization focused on helping to create a community of happy and healthy families. The organization continues its mission of child abuse prevention through parent education and case management services. PB&J continues to innovate and meet the needs of the community that it serves through comprehensive programs and services. The following programs and services are representative of the work done at PB&J.

*Preschool* - Center based programs such as NM Pre-K, Children's Support Group, and Parenting Program are delivered at the offices of PB&J. These programs serve children and families with education meant to develop new skills for a brighter future.

*ImPACT* - PB&J delivers services to incarcerated parents and youth through programs such as Juvenile Community Corrections and the Metro Detention Center program. These programs are intended to reach an underserved population with education, life skills, case management, and resource referrals.

*Home-Based* - PB&J offers home based programs such as Home Visiting, Family Infant Toddler Program, and Community Based Prevention, Intervention, and Reunification. The home-based programs at PB&J are meant to decrease barriers for families and deliver services in the family familiar environment. These programs offer parent education, case management, child development, and resource referrals to the families that they serve.

Peanut Butter & Jelly, Inc. Property Corporation (the Corporation) is a New Mexico not-for-profit corporation established in 1994. The Corporation was established to provide management of property specially designed for use by client families services to meet their physical, social emotional and psychological needs, and to promote their health, security, happiness and usefulness. The Corporation is an affiliate of PB&J.

Principles of Consolidation

PB&J is financially interrelated through control and economic interest to another not-for-profit organization, Peanut Butter & Jelly, Inc. Property Corporation (the "Corporation"). Generally accepted accounting principles in the United States of America require the financial statements of PB&J and the Corporation to be consolidated (the "Organization"). All significant inter-organization accounts and transactions have been eliminated.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023, AND 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

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

***Net Assets Without Donor Restrictions*** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s Board of Directors may designate assets without assets without restrictions for specific operational purposes from time to time. The net assets without donor restrictions represent the investment in undesignated assets, investment in designated assets, and amounts invested in property and equipment, less accumulated depreciation and amortization and any related debt.

***Net Assets with Donor Restrictions*** – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passages 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 revenue when the assets are placed in service. Contributions restricted by donors are reported as increases in net assets without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all short-term highly liquid instruments to be cash equivalents provided they are both readily convertible to cash and had an original maturity of three months or less when purchased.

Accounts Receivable

Accounts receivable is stated at face value. Management uses historical experience applied to an aging of accounts. Accounts receivables are written off when deemed uncollectible, when all efforts result in non-collection. No interest is charged on late receivables. Receivables are considered past due if the balance is outstanding for more than 90 days.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023, AND 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Allowance for Doubtful Accounts

An allowance for doubtful accounts has not been provided as management believes that all receivables are fully collectible.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional and legally enforceable. If a donor states an intent to give rather than a promise to give, contributions are recorded in the year payment is received. Contributions that are restricted by donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Pledges receivable were \$0 and \$0 at June 30, 2023 and 2022, respectively.

Financial Instruments

The Organization's financial instruments consist of accounts receivable and accounts payable. It is management's opinion that the Organization is not exposed to significant interest rate or credit risks arising from these instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying value. The maximum potential loss from credit risk is equal to the carrying value. The Organization does not require collateral on these financial instruments.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the estimated fair value on the date of donation. Expenditures for property and equipment in excess of \$1,000 or more are capitalized and depreciated on a straight-line basis over their estimated useful life. Replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are expensed as incurred. Lives of property and equipment are as follows:

Building and Leasehold Improvements	15-30 years
Furniture and Equipment	3-15 years
Vehicles	3-5 years

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023, AND 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contract Service Revenue

The Organization receives revenue from federal, state and local contracts on a cost reimbursement, lump sum and a per-unit-served basis. These contracts and grants are for services performed by the Organization and, accordingly have been accounted for as exchange type transactions. A majority of these contracts are with various agencies of the State of New Mexico and make up a significant portion of the Organization's revenues.

Contracts and grants revenue are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Organization recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured. Income from service fees received in advance are deferred and recognized over the periods to which the dates and fees relate.

Contributions Revenue

Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give are recorded at the present value of their net realizable value, using risk -free interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Grants and contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. All grant receivables are considered collectable. Grants and other contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, or (ii) contracts for which the amount of revenue recognized is based on the amount to which the Organization has the right to invoice the customer for services performed.

Unearned Revenue

Occasionally, the Organization will receive funding that contains specific conditions that must be met by the Organization or the funds will revert back to the grantor or source. Because these funds are conditional, the funding is recorded as unearned revenue and deferred until such time as the conditions are met. At that point in time, the contract, grant or contribution income is recognized. As of June 30, 2023 and 2022 there were unearned revenues of \$0 and \$0, respectively.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023, AND 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Taxes

PB&J is exempt from income taxes under Section 501(c)(3). The Corporation is exempt under Section 501(c)(2), of the Internal Revenue Code. Both organizations have been designated as other than private foundations.

The Organization would record a liability for uncertain tax positions when it became probable that a loss has been incurred and the amount can be reasonably estimated. Interest would be recognized and accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. Expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings are continually evaluated. Expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings are continually evaluated. As of June 30, 2023, and 2022, no liabilities for uncertain tax positions have been recorded. The Organization's tax returns for the fiscal years ended 2020 to 2023, by statute, may be subject to normal federal and state examination.

Investments

Endowment funds are invested with the Albuquerque Community Foundation in a pooled fund of marketable securities valued at net realizable value, as determined by quoted prices as provided by the investment manager, who pools all funds and allocates investments activity to each fund accordingly. All investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Beneficial Interest in Assets Held by Community Foundation

On November 7, 2007, the Organization established an "Agency Endowment Fund" (Agreement) at the Albuquerque Community Foundation (Foundation) with an initial contribution of \$50,000 from the Organization's funding sources and another \$10,010 from donors of Angie's Legacy. The Agreement and all contributions made to the fund are irrevocable. Under the terms of the Agreement, the Foundation may substitute another beneficiary in place of the Organization if the Organization ceases to be a qualified charitable organization. The Board of Trustees of the Foundation can modify the provisions of the Agreement designating use of the endowment if the purposes for which it was created ever become obsolete, incapable of fulfillment, or inconsistent with the charitable purposes of the Foundation. Annual distributions are calculated in accordance with the Foundation's distribution policy and can be used by the Organization or can be added to the principal of the endowment.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Beneficial Interest in Assets Held by Community Foundation (Continued)

*Accounting Standards Codification (ASC) 958-605* - Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others, establishes standards for transactions in which a donor transfers assets to a not-for-profit organization or charitable trust that accepts the contribution with the stipulation that the recipient organization use those assets, the return on investment of those assets, or both, on behalf of the beneficiary that is specified by the donor. ASC 958-605 specifically requires a not-for-profit organization that establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund and grants the community foundation unilateral variance power must account for the transfer of such assets as an asset on its financial statements. Accordingly, the Organization has recognized the transfer to the Foundation of the \$50,000 as an asset called "permanent endowment", included with other assets in the statements of financial position. The donations to Angie's Legacy of \$10,010 were given to the Organization with the intent that the Organization would be the beneficiary of any earnings. Variance power was not explicitly granted by the original donors to the community foundation, and so these funds are also considered an asset of the Organization.

Endowment Classification

The State of New Mexico passed House Bill 454, effective July 1, 2009, requiring New Mexico organizations with endowments to adhere to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The law states that a not-for-profit organization that is subject to an enacted version of the UPMIFA shall classify a portion of a donor-restricted endowment fund of perpetual duration as permanently restricted net assets. The amount classified as permanently restricted shall be either a) the amount of the fund that must be retained permanently in accordance with explicit donor stipulations or b) the amount of the fund that, in the absence of explicit donor stipulations, the Organization's governing board determines must be retained permanently consistent with the relevant law.

The original donors of the endowment funds did not explicitly state that the funds were to remain in perpetuity, and the Organization's board of directors interpreted New Mexico's UPMIFA law and do not conclude that the State of New Mexico requires endowment funds to remain in perpetuity in lieu of explicit donor stipulations. Accordingly, the Organization has classified the donor endowment funds as temporarily restricted, until the funds are used for their intended purpose, and have included the endowment with other long-term assets in the statements of financial position.

Donated Services and Materials

The Organization recognizes donated services that require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Such donations are reported at their estimated fair market value at the date of the donation as unrestricted support. Donated materials are recorded at the fair market value of the materials on the date of donation.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023, AND 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional Expense Allocations

Expenses are charged directly to program and supporting services based on specific identification, when possible. Costs benefiting more than one function are allocated based on measures such as management's estimates of time spent, square footage, etc. Significant expenses that are at least partially allocated include occupancy, supplies, travel, miscellaneous, and insurance. The allocation method for these costs is based on time and effort.

Operating Cycle

The majority of the Organization's income is derived from state and federal contracts and grants. The lengths of the contracts vary, but they are generally one year or less.

**NOTE 2. CASH AND CASH EQUIVALENTS**

As of June 30, 2023, and 2022, the carrying amount of the Organization's cash was \$678,927 and \$1,419,121, respectively, which includes \$300 cash on hand for both years.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and investments. The Organization maintains its available cash in a long-established financial institution. At times during the year, the Organization's cash deposits may exceed Federal Deposit Insurance Corporation (FDIC) insurance limits. The accounts were insured up to \$250,000 under FDIC coverage per customer through June 30, 2023 and 2022. The Organization's cash balances exceeded FDIC limits as follows at June 30,:

<u>Institution</u>	<u>2023</u>	<u>2022</u>
Wells Fargo	\$ 678,627	\$ 1,418,821
Petty Cash	300	300
<b>Total Reconciled Cash Balances</b>	<u>\$ 678,927</u>	<u>\$ 1,419,121</u>
Bank Balance	\$ 693,559	\$ 1,508,628
Less: Insured by FDIC	<u>(250,000)</u>	<u>(250,000)</u>
<b>Uncollateralized and Uninsured Balances</b>	<u>\$ 443,559</u>	<u>\$ 1,258,628</u>

The Organization's cash balances included donor restricted cash of \$78,331 and \$69,325 at June 30, 2023 and 2022, respectively.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 3. INVESTMENTS**

***Investment Foundation***

The Albuquerque Community Foundation (ACF) manages the investments for the Organization. ACF creates and manages a pooled investment fund consisting of equity, U.S. Government Securities, bond mutual funds and cash.

	<b>Target %</b>	<b>Range %</b>
Total Equity	50%	40 - 60%
Total Fixed Income / Cash	12%	2 - 22%
Total Real Estate	10%	5 - 15%
Total Real Assets	5%	0 - 15%
Total Multi-Strategy	10%	0 - 20%
Total Private Equity	13%	3 - 23%
<b>Total</b>	100%	100%

The Organization is subject to investment credit risk. Investment credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations.

***FAIR VALUE MEASUREMENTS***

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

***Basis of Fair Value Measurement***

**Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Organization has the ability to access.

**Level 2** - Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 3. INVESTMENTS (CONTINUED)**

Investments, at fair value, consist of the following as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
Public Equity	\$ 53,610	\$ -	\$ -	\$ 53,610
Private Equity	-	-	13,918	13,918
Fixed Income	14,454	-	-	14,454
Real Assets	5,616	-	-	5,616
Real Estate	-	-	18,733	18,733
Multi-Strategy	-	-	18,009	18,009
Cash Equivalents	293	-	-	293
Other	-	-	1,000	1,000
<b>Total Investments at Fair Market Value</b>	<u>\$ 73,973</u>	<u>\$ -</u>	<u>\$ 51,660</u>	<u>\$ 125,633</u>

Investments, at fair value, consist of the following as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
Public Equity	\$ 48,498	\$ -	\$ -	\$ 48,498
Private Equity	-	-	13,411	13,411
Fixed Income	11,632	-	-	11,632
Real Assets	5,687	-	-	5,687
Real Estate	-	-	20,961	20,961
Multi-Strategy	-	-	16,314	16,314
Cash Equivalents	578	-	-	578
Other	-	-	1,000	1,000
<b>Total Investments at Fair Market Value</b>	<u>\$ 66,395</u>	<u>\$ -</u>	<u>\$ 51,686</u>	<u>\$ 118,081</u>

The Organization's other investments consists of the following at June 30,

<u>Type</u>	<u>2023</u>	<u>2022</u>
Cemetary Plot	\$ 1,000	\$ 1,000
Interest in Oil Wells	25,000	25,000
Less: Depletion in Oil Wells	(25,000)	(25,000)
<b>Total Other Investments</b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

There was no depletion expense for the years ended June 30, 2023, and 2022. The carrying value of investments above approximates fair value.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 4. PROPERTY AND EQUIPMENT**

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

	<u>Balance at 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer</u>	<u>Balance at 6/30/2023</u>
<b>Property and Equipment Not Being Depreciated:</b>					
Land	\$ 67,306	\$ -	\$ -	\$ -	\$ 67,306
<b>Total Property and Equipment Not Being Depreciated</b>	<u>67,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,306</u>
<b>Property and Equipment Being Depreciated:</b>					
Buildings and Leasehold Improvements	752,443	4,974	-	-	757,417
Furniture and Equipment	675,800	32,789	-	(56,326)	652,263
Vehicles	459,360	-	-	-	459,360
<b>Total Property and Equipment Being Depreciated</b>	<u>1,887,603</u>	<u>37,763</u>	<u>-</u>	<u>(56,326)</u>	<u>1,869,040</u>
Less: Accumulated Depreciation	<u>(1,765,513)</u>	<u>(36,155)</u>	<u>-</u>	<u>17,836</u>	<u>(1,783,832)</u>
<b>Property and Equipment, Net</b>	<u>\$ 189,396</u>	<u>\$ 1,608</u>	<u>\$ -</u>	<u>\$ (38,490)</u>	<u>\$ 152,514</u>

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

	<u>Balance at 7/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/2022</u>
<b>Property and Equipment Not Being Depreciated:</b>				
Land	\$ 67,306	\$ -	\$ -	\$ 67,306
<b>Total Property and Equipment Not Being Depreciated</b>	<u>67,306</u>	<u>-</u>	<u>-</u>	<u>67,306</u>
<b>Property and Equipment Being Depreciated:</b>				
Buildings and Leasehold Improvements	750,133	2,310	-	752,443
Furniture and Equipment	603,656	72,144	-	675,800
Vehicles	459,360	-	-	459,360
<b>Total Property and Equipment Being Depreciated</b>	<u>1,813,149</u>	<u>74,454</u>	<u>-</u>	<u>1,887,603</u>
Less: Accumulated Depreciation	<u>(1,730,563)</u>	<u>(34,950)</u>	<u>-</u>	<u>(1,765,513)</u>
<b>Property and Equipment, Net</b>	<u>\$ 149,892</u>	<u>\$ 39,504</u>	<u>\$ -</u>	<u>\$ 189,396</u>

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
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**NOTE 4. PROPERTY AND EQUIPMENT (CONTINUED)**

As a result of the implementation of FASB 2016-02, Leases, the Organization's equipment lease previously presented as property and equipment in the amount of \$56,326 has been reclassified as lease right-to-use asset for the year ended June 30, 2023.

Vans with net book values in the amount of \$0 as of June 30, 2023, and 2022, are restricted as to their use as designated by granting agencies under government contracts and are included in total vehicle cost. Included in the original vehicles cost above are in-kind donations from the New Mexico State Highway and Transportation Department which represents 80% of the cost of the vans, or \$126,234.

Depreciation expense was \$36,155 and \$34,950 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 5. LEASE RIGHT-TO-USE ASSETS**

Lease Right-to-Use Assets consisted of the following at June 30, 2023 and 2022:

	<u>Balance at 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/2023</u>
<b>Right of Use Assets, Finance Lease:</b>				
Finance Lease - Equipment	\$ 56,326	\$ -	\$ -	\$ 56,326
<b>Total Right of Use Assets, Finance Lease</b>	<u>56,326</u>	<u>-</u>	<u>-</u>	<u>56,326</u>
<b>Less: Accumulated Amortization for:</b>				
Finance Lease - Equipment	(6,571)	(11,265)	-	(17,836)
<b>Total Accumulated Amortization</b>	<u>(6,571)</u>	<u>(11,265)</u>	<u>-</u>	<u>(17,836)</u>
<b>Right of Use Assets, Finance Lease, Net</b>	<u>\$ 49,755</u>	<u>\$ (11,265)</u>	<u>\$ -</u>	<u>\$ 38,490</u>

As a result of the implementation of FASB 2016-02, Leases, the Organization's equipment previously presented as property and equipment in the amount of \$56,326 has been reclassified as lease right-to-use asset for the year ended June 30, 2023.

Amortization expense was \$11,265 and \$6,571, for the years ended June 30, 2023 and 2022, respectively, and is included with depreciation expense in the statement of functional expenses.

**NOTE 6. RETIREMENT PLAN**

PB&J maintains a qualified 403(b) retirement plan. Eligible employees may defer a portion of their salary under this plan. At the discretion of the Board of Directors, the PB&J contributes a discretionary match of salaries for all eligible employees. The plan has no age requirement and employees may participate immediately. Employer matching is 100% vested after two years of service. The total employer contributions made for the years ended June 30, 2023, and June 30, 2022, was \$13,111 and \$26,058, respectively, with no additional discretionary contributions for either year.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 7. LEASE LIABILITY**

Finance Leases

As a result of the implementation of FASB 2016-02, Leases, the Organization's lease previously presented as a capital lease in the amount of \$551,351 has been reclassified as a finance lease liability for the year ended June 30, 2023.

	<u>Balance at 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/2023</u>	<u>Due Within One Year</u>
Finance Lease Liability	\$ 51,351	\$ -	\$ (9,378)	\$ 41,973	\$ 10,567
	<u>\$ 51,351</u>	<u>\$ -</u>	<u>\$ (9,378)</u>	<u>\$ 41,973</u>	<u>\$ 10,567</u>

The Organization leases equipment under a finance lease arrangement. There is no escalation clause for the equipment lease. There are no variable payments that are not included in the lease liability calculation. There are no residual value guarantees that are not included in the lease liability calculation. The Organization used interest rate of 12.00% stated in the lease agreement to calculate the present value of the equipment.

The future payment obligations on the lease is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 10,567	\$ 4,468	\$ 15,035
2025	11,907	3,128	15,035
2026	13,418	1,618	15,036
2027	6,081	184	6,265
2028	-	-	-
<b>Total</b>	<u>\$ 41,973</u>	<u>\$ 9,398</u>	<u>\$ 51,371</u>

**NOTE 8. NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED**

Board designated net assets include an endowment established in 2007 for investment purposes. The balance in the endowment as of June 30, 2023, and 2022 was \$87,243 and \$81,957, respectively.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	<u>2023</u>	<u>2022</u>
<b>Subject to expenditure for specified purpose:</b>		
ImPACT Program	\$ 31,605	\$ 34,300
Angie's Legacy - Endowment	37,390	35,124
Wilderness Program	6,827	6,825
Holiday Wish	3,440	1,800
Kerri's Fund	937	937
Keeping the Lights on Program	2,235	2,235
ABQ SV Preschool	19,582	15,082
Bernalillo Preschool	1,478	1,478
SE Heights Preschool	6,666	6,666
<b>Total Net Assets with Donor Restrictions</b>	<u>\$ 110,160</u>	<u>\$ 104,447</u>

**NOTE 10. ENDOWMENT FUNDS**

Since June 30, 2009, the Organization has followed the Albuquerque Community Foundation's policies with regard to investing and spending. The Albuquerque Community Foundation's policies stipulate that annual distributions will be calculated (not to exceed 5% of the value of the endowment) for PB&J's spending. However, PB&J can make the determination to leave any annual distributions in the endowment to continue to grow. As of June 30, 2023, PB&J has not taken an annual distribution from the endowment funds. If funds were to be taken as a distribution, the Board of Directors would make the recommendation as to the purpose of the funds to be spent.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
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**NOTE 10. ENDOWMENT FUNDS (CONTINUED)**

Changes in endowment net assets are as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Endowment Net Assets, June 30, 2021</b>	\$ 84,602	\$ 36,258	\$ 120,860
Investment Income, net of expenses	890	381	1,271
Net Appreciation (Realized and Unrealized)	<u>(3,535)</u>	<u>(1,515)</u>	<u>(5,050)</u>
Change in Endowment Net Assets	<u>(2,645)</u>	<u>(1,134)</u>	<u>(3,779)</u>
<b>Endowment Net Assets, June 30, 2022</b>	<u>\$ 81,957</u>	<u>\$ 35,124</u>	<u>\$ 117,081</u>
Investment Income, net of expenses	92	40	132
Net Appreciation (Realized and Unrealized)	<u>5,194</u>	<u>2,226</u>	<u>7,420</u>
Change in Endowment Net Assets	<u>5,286</u>	<u>2,266</u>	<u>7,552</u>
<b>Endowment Net Assets, June 30, 2023</b>	<u>\$ 87,243</u>	<u>\$ 37,390</u>	<u>\$ 124,633</u>

**NOTE 11. NONCASH EXCHANGE OF SERVICES**

PB&J has two primary locations. A portion of the main headquarters is leased from the County of Bernalillo with a portion owned by PB&J. The lease, dated July 1, 2005, is for a term of 5 years with options to renew the lease for up to an additional 25 years. In July 2010, the first option to renew for the first five-year term was approved. In July 2015, the second option to renew for an additional five-year term was approved. The terms of the lease call for annual rent of \$83,502. The rent is to be paid with cash equivalent services provided by PB&J for disabled and indigent residents of Bernalillo County. Any shortfall in provided services is to be paid in cash by PB&J to the County of Bernalillo.

PB&J opened a location in the Southeast Heights area of Albuquerque, NM in September 2011 and entered into a facility agreement with Bernalillo County. The lease is for a term of 5 years, with one additional five-year option which was renewed in 2017. The annual rent is \$78,750, and is to be paid with cash equivalent services provided by PB&J. Any short fall is to be paid in cash by PB&J. In October 2022, the Organization renewed this lease for an initial term of 25 years. The initial annual payment is \$97,500 and increases by 3% annually on the anniversary date of the lease.

PB&J rents facilities from the Town of Bernalillo, NM under a lease that began in July 2014. The lease is for a term of 5 years. A new one-year lease for additional space began on July 1, 2023. A part of the consideration for these arrangements is the provision of space in exchange for the provision of services at the facilities. The annual rent on the new lease is \$69,492, and is to be paid with \$17,364 in cash and the remainder in cash equivalent services provided by PB&J. Any short fall in services provided by PB&J is to be paid in cash.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 11. NONCASH EXCHANGE OF SERVICES (CONTINUED)**

For the years ending June 30, 2023, and 2022, PB&J received and recognized \$231,411 and \$217,836, respectively, in in-kind rent in exchange for services. The services provided to the County of Bernalillo and the Town of Bernalillo were sufficient to cover the required annual services of the agreements.

Future minimum rents for all noncash exchange of services are as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2024	\$ 235,324
2025	186,187
2026	189,267
2027	192,440
2028	195,708
Thereafter	<u>3,536,880</u>
<b>Total</b>	<b><u>\$ 4,535,806</u></b>

**NOTE 12. ECONOMIC DEPENDENCE**

PB&J has contracts with various State and Federal agencies. Significant revenues of PB&J include funding from New Mexico Children Youth and Families Department (CYFD) and Medicaid. Revenues from these sources were approximately 58% and 43% for the years ended June 30, 2023, and 2022, respectively.

**NOTE 13. AVAILABILITY AND LIQUIDITY**

The following table reflects the Organization's financial assets reduced by amounts not available for general use within one year of that date because of donor-imposed restrictions or internal designations at June 30,:

	<b>2023</b>	<b>2022</b>
Cash and Cash Equivalents	\$ 678,927	\$ 1,419,121
Receivables	<u>433,916</u>	<u>349,593</u>
<b>Subtotal</b>	1,112,843	1,768,714
Net Assets With Donor Restrictions (Less Endowment)	<u>(72,770)</u>	<u>(69,323)</u>
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b><u>\$ 1,040,073</u></b>	<b><u>\$ 1,699,391</u></b>

The available resources would cover more than three months of expenditures even if no revenue was received during that time period. The majority of the Organization's revenues come from contracts with the State of New Mexico, which in some cases pass through from the federal government.

**PB&J FAMILY SERVICES, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023, AND 2022**

**NOTE 14. RESTATEMENT**

During year ended June 30, 2022, net assets were restated as follows:

- The Organization restated net assets for the year ended June 30, 2021 to recognize revenue related to grants from prior periods in the amount of \$14,166.
- The Organization also restated net assets for the year ended June 30, 2021 to remove the improper accrual of a accounts receivable in the amount of \$1,600.

The net restatement to the Organization's net assets is an increase of \$12,566 to net assets at June 30, 2022.

**NOTE 15. SUBSEQUENT EVENTS**

Management evaluated all activity through April 30, 2024, the date the financial statements were available to be issued. There are no other matters identified for recognition in the financial statements at June 30, 2023.



**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**

To the Board of Directors of  
PB&J Family Services, Inc.  
Albuquerque, New Mexico

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 PB&J Family Services, Inc. (a nonprofit organization) and its affiliate Peanut Butter & Jelly, Inc. Property Corporation (a corporation), collectively referred to as the Organization, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 30, 2024.

**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 opinions on the consolidated financial statements, but not for the purpose of expressing an opinion of 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, nor 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.



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(505) 822 5106



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.

*TKM, LLC*  
TKM, LLC  
Auditors | Advisors | CPAs

Albuquerque, New Mexico  
April 30, 2024



Creative Bus Sales

# State of Oklahoma Contract

**SW0797C**

**FY 2027**

Preparer: Casey Gaskins

**Base Model**

Lone Star Promaster 3500 3.6L V6 9,350 GVWR

Base Model Price: \$ 136,709.00

Options: \$ 1,351.00

Other Available Options: \$ 17,720.00

Unpublished Options: \$ 2,788.00



*LONE STAR  
ADA Vans*

Vehicle Length	Lift Position	WC Positions	Total # Passengers	CDL Required
21'	Side	2	9	No

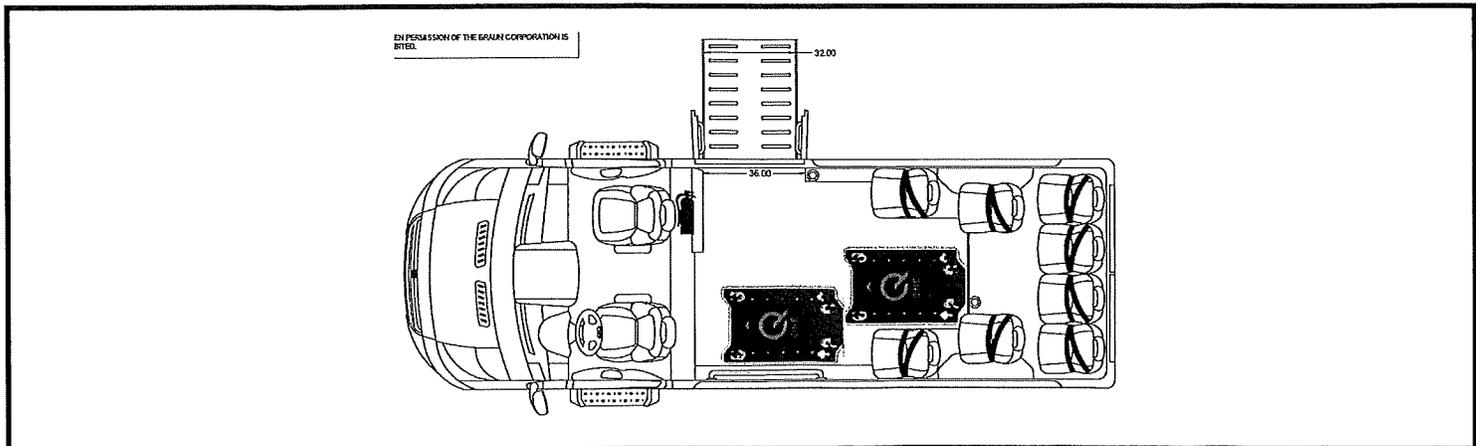
QTY Vehicles:  Total Contract Price: \$

Per Vehicle Price: \$ 158,568.00

**Customer Info**

<b>Customer:</b>	PB&J Family Services
<b>Address:</b>	1101 Lopez Rd. SW Albuquerque, NM 87105
<b>Contact:</b>	Jennifer Thompson
<b>Office Phone:</b>	(505) 877-7060
<b>Mobile Phone:</b>	
<b>E-Mail:</b>	JenniferT@pbjfamilyservices.org

**Floorplan**





## **Chassis**

Ram Promaster 3500 High Roof chassis - 9,350 GVWR, 159" WB EXT  
3.6L V6 24V VVT gasoline engine  
6-Speed Automatic 62TE Transmission  
220-amp alternator  
Power-assisted hydraulic front & rear disc brakes  
4-wheel anti-lock brake system  
22-gallon OEM fuel tank  
16"x6" aluminum wheels  
Cruise control  
Cloth driver and co-pilot seats  
Driver/Co-pilot sun visor  
Power windows  
Power door locks  
Power-heated mirrors  
OEM chassis dash heater, A/C, and defroster  
Bright white clear coat

## **Body**

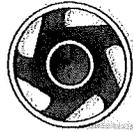
Lowered floor behind driver/co-pilot for ADA access  
Driver side step  
Trans Air 50K BTU AC system  
Electric passenger entry door (A&M Systems)  
Docket 90 Vinyl Seats with Freedman Seatlink  
3-pt passenger seat belts  
ABS interior paneling - walls and ceiling  
Q'Straint Omni Floor - Rear Section  
Altro flooring

## **ADA**

Manual swing away ramp providing 32" usable width  
One (1) set of Q'Straint retractable wheelchair securement systems  
Q'Straint InQline Winch System  
ADA interlock  
ADA-compliant ramp and door entrance lighting

## **Safety**

5 lb. fire extinguisher  
First aid kit  
Emergency triangle kit  
Backup alarm  
Emergency window



Creative Bus Sales

# State of Oklahoma Contract

**SW0797C**

**FY 2027**

Preparer: Casey Gaskins

**Base Model**  
Braun Side Entry 3.6L V6 6,050 GVWR

**Base Model Price:** \$ 81,801.00

**Options:** \$ 1,453.00

**Other Available Options:** \$ -

**Unpublished Options:** \$ 3,800.00



Vehicle Length	Lift Position	WC Positions	Total # Passengers	CDL Required
203.8"	Side	2	5	No

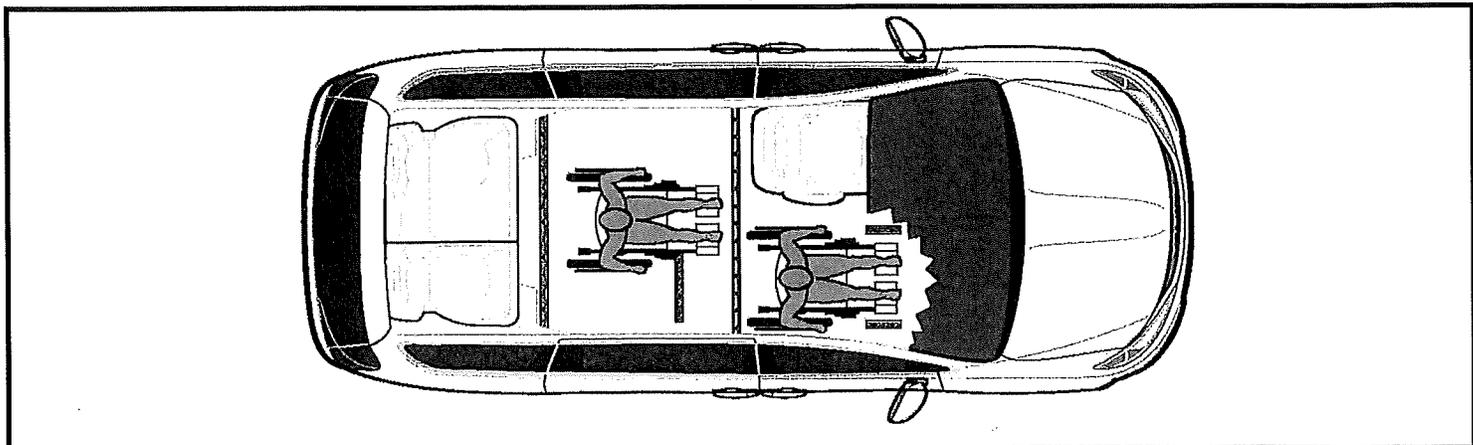
QTY Vehicles:  Total Contract Price: \$

**Per Vehicle Price:** \$ 87,054.00

**Customer Info**

<b>Customer:</b>	PB&J Family Services
<b>Address:</b>	1101 Lopez Rd. SW Albuquerque, NM 87105
<b>Contact:</b>	Jennifer Thompson
<b>Office Phone:</b>	(505) 877-7060
<b>Mobile Phone:</b>	
<b>E-Mail:</b>	JenniferT@pbjfamilyservices.org

**Floorplan**





**Chassis**

Chrysler Voyager chassis - 6,055 GVWR  
3.6L V6 24V VVT gasoline engine  
9-Speed Automatic 948TE Transmission  
Power-assisted hydraulic front & rear disc brakes  
4-wheel anti-lock brake system  
19-gallon OEM fuel tank  
17"x7.5" steel wheels  
Cruise control  
Cloth seats  
Power driver seat pedestal  
Driver/Co-pilot sun visor  
Manual driver and passenger side sliding doors  
Power windows  
Power door locks  
Power-heated mirrors  
OEM chassis dash heater, A/C, and defroster  
Engine block heater  
Bright White Clear Coat

**Body**

Lowered floor from firewall to rear axle  
Step and roll front seats  
3-passenger bench seat at rear with folding footrest  
Mid and front passenger floor tracks for wheelchair securement  
Stainless steel subfloor  
3/8" marine grade plywood floor

**ADA**

Manual swing ramp providing 30" usable width  
ADA interlock  
ADA-compliant ramp and door entrance lighting

**Safety**

5 lb. fire extinguisher  
First aid kit  
Body fluid kit  
Emergency triangle kit  
Backup alarm