REGIER CARR & MONROE, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
THE DIVISION FOR CPA FIRMS

Board of Directors
Youth On Their Own
Tucson, Arizona

In planning and performing our audit of the financial statements of Youth On Their Own as of and for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control. We consider the following deficiencies to be significant deficiencies in internal control:

1. **Accounts Payable**

   While conducting audit procedures, we noted that the books are maintained on a cash basis; however, expenses incurred prior to year-end, but paid subsequent to year-end, were not properly accrued at June 30, 2007. Proper cutoff is critical for the accuracy of the accrual basis of accounting. We recommend that all expenses relating to the year are properly accrued at year-end.

(continued)

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2. **Financial Accounting and Reporting**

During our audit, we recommended various adjusting journal entries, and assisted in the drafting of financial statements and notes to the financial statements. In accordance with Statement on Auditing Standards Number 112, and based on the fact that we had to recommend adjustments and prepare eliminating entries, we consider this to be a control deficiency under this new standard.

3. **Scholarships Payable**

While conducting our audit procedures, we noted that the Organization has not properly accounted for scholarships that have been forfeited. Scholarship expense should be recorded when scholarships are awarded, and a liability for the award should be accrued. The liability should be debited when scholarships are satisfied or forfeited.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control. We believe that the following deficiencies constitute material weaknesses:

1. **Cash Controls**

We noted during testing that all employees have access to a signature stamp and unused check stock. Some of these employees also have access to QuickBooks. In order to provide reasonable assurance that no unauthorized payments are made, we strongly suggest that the signature stamp be maintained in a secure location that is accessible only by employees that do not have access to checks and QuickBooks. Furthermore, we feel that internal controls can be greatly strengthened if the use of the signature stamp is terminated, extremely limited, or removed from the accounting area.

2. **Cash Receipts**

Currently, copies of checks received are provided to the Communications & Development Director. However, there is no effort to reconcile receipts per the Development Director's records to the accounting records. If management does not choose to reconcile donor records to accounting records, an interim step should be added where the employee opening the mail prepares an independent listing of all receipts. This listing could later be compared to bank statements in the reconciliation process.

This letter does not affect our report dated October 15, 2008 on the financial statements of the Organization. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

(continued)

We believe that the implementation of these recommendations will provide Youth On Their Own a stronger system of internal control while also making its operations more efficient. We would be happy to discuss these comments and recommendations in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Regier Carr & Monroe, L.L.P.

October 15, 2008
Tucson, Arizona

REGIER CARR & MONROE, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
THE DIVISION FOR CPA FIRMS

To the Board of Directors
Youth on Their Own
Tucson, Arizona

We have audited the financial statements of Youth on Their Own for the year ended June 30, 2007, and have issued our report thereon dated October 15, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 6, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Youth on Their Own are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the 2007 fiscal year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management, and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

(continued)

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Management's estimate of the functional allocation of expenditures is based on actual costs incurred for a particular function and on management's estimates of level of services for items not directly associated with a specific function.

We evaluated the key factors and assumptions used to develop the estimates of functional expenses in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The accrual of interest on the related party loan is done annually based upon evaluation of fair value at the year end. The accounts payable are not booked during the year, so we were required to recommend adjusting journal entries to convert the books to the accrual method. The misstatements detected as a result of audit procedures and corrected by management were material to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 15, 2008.

(continued)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Youth On Their Own, and is not intended to be, and should not be used by anyone other than these specified parties.

Regier Carr & Monroe, L.L.P.

October 15, 2008
Tucson, Arizona

YOUTH ON THEIR OWN

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

YOUTH ON THEIR OWN

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REGIER CARR & MONROE, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Youth On Their Own
Tucson, Arizona

We have audited the accompanying statement of financial position of Youth On Their Own as of June 30, 2007, and the related statements of activities, functional expenses, and cash flows, for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Youth On Their Own at June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Regier Carr & Monroe, L.L.P.

October 15, 2008
Tucson, Arizona

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YOUTH ON THEIR OWN

STATEMENT OF FINANCIAL POSITION

June 30, 2007

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	377,926
Accounts receivable		44,382
Promises to give, net		2,235
Other current assets		16
Total current assets		424,559
PROPERTY AND EQUIPMENT, NET		442,760
Total assets	$	867,319

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of long-term debt	$	2,514
Accounts payable		12,854
Accrued expenses		52,981
Deposit		1,000
Total current liabilities		69,349
LONG-TERM DEBT, NET OF CURRENT PORTION		165,010
Total liabilities		234,359
NET ASSETS		
Unrestricted net assets		
Undesignated		330,537
Net investment in property and equipment		275,236
Total unrestricted net assets		605,773
Temporarily restricted net assets		27,187
Total net assets		632,960
Total liabilities and net assets	$	867,319

The Notes to Financial Statements are an integral part of these statements

YOUTH ON THEIR OWN
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Contracts from governmental agencies	$ 157,000	$ -	$ 157,000
Foundation grants	87,362	-	87,362
Contributions	469,340	32,071	501,411
Donated services	11,992	-	11,992
Donated equipment and supplies	43,095	-	43,095
Interest income	17,441	-	17,441
Miscellaneous	200	-	200
Special events	193,432	-	193,432
Net assets related from restrictions	103,829	(103,829)	-
Total revenues	1,083,691	(71,758)	1,011,933
EXPENSES			
Program services			
Student stipends	664,600	-	664,600
Student special needs	162,653	-	162,653
Student needs bank	28,272	-	28,272
Strategies for Success	36,711	-	36,711
Project Contact	5,103	-	5,103
Total program services	897,339	-	897,339
General and administrative expenses	148,419	-	148,419
Fundraising expenses	145,232	-	145,232
Total expenses	1,190,990	-	1,190,990
Change in net assets	(107,299)	(71,758)	(179,057)
NET ASSETS, BEGINNING OF YEAR	713,072	98,945	812,017
NET ASSETS, END OF YEAR	$ 605,773	$ 27,187	$ 632,960

The Notes to Financial Statements are an integral part of these statements

YOUTH ON THEIR OWN
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2007

	Program Services						Supporting Services		
	Student Stipends	Student Special Needs	Student Needs Bank	Strategies For Success	Project Contact	Total Program Services	General and Administrative	Fundraising Expenses	Total
Personnel expense									
Salaries and wages	$ 61,866	$ 26,411	$ 15,939	$ 6,697	$ 3,261	$ 114,174	$ 48,631	$ 54,412	$ 217,217
Payroll taxes and benefits	20,944	3,849	1,720	1,868	427	28,808	10,331	7,051	46,190
	82,810	30,260	17,659	8,565	3,688	142,982	58,962	61,463	263,407
Advertising	-	-	-	-	-	-	40	-	40
Bad debt expense	-	-	-	-	-	-	-	3,350	3,350
Bank service charges	1,051	-	13	-	-	1,064	1,431	1,996	4,491
Conferences and meetings	-	-	-	-	-	-	230	152	382
Contract labor	3,735	232	39	387	38	4,431	847	425	5,703
Donated services	-	11,992	-	-	-	11,992	-	-	11,992
Donated equipment and supplies	-	43,095	-	-	-	43,095	-	-	43,095
Dues and subscriptions	767	33	25	4	2	831	4,460	1,191	6,482
Equipment rental	4,642	287	112	381	41	5,463	700	505	6,668
Insurance	6,331	463	77	772	77	7,720	5,183	847	13,750
Interest	10,843	269	60	448	90	11,709	1,045	568	13,322
Maintenance and repairs	6,212	321	72	199	20	6,824	1,064	561	8,449
Meals and refreshments	1,256	-	-	336	-	1,592	1,092	171	2,855
Miscellaneous	1,824	-	8,652	-	74	10,550	19,771	-	30,321
Office supplies	3,834	188	83	183	18	4,306	4,392	6,065	14,763
Postage and delivery	2,142	106	24	53	20	2,345	397	622	3,364
Printing and reproduction	3,387	89	283	107	537	4,403	4,904	9,181	18,488
Professional	6,254	-	-	18,950	-	25,204	38,382	12,616	76,202
Scholarships	-	8,170	-	4,872	-	13,042	-	5,761	18,803
Special events expenses	-	-	-	-	-	-	-	35,664	35,664
Student equipment and supplies	11,530	658	115	982	98	13,383	2,104	1,412	16,899
Student special needs	-	64,923	-	-	-	64,923	-	-	64,923
Stipends	500,727	100	-	-	-	500,827	-	-	500,827
Telephone	4,167	245	75	189	16	4,692	745	561	5,998
Training and education	263	-	-	-	-	263	504	439	1,206
Utilities	5,965	308	69	191	19	6,552	1,022	539	8,113
Total expenses before depreciation	657,740	161,739	27,358	36,619	4,738	888,193	147,275	144,089	1,179,557
Depreciation	6,860	915	915	91	366	9,146	1,143	1,143	11,433
Total expenses	$ 664,600	$ 162,653	$ 28,272	$ 36,711	$ 5,103	$ 897,339	$ 148,419	$ 145,232	$ 1,190,990

The Notes to Financial Statements are an integral part of these statements

YOUTH ON THEIR OWN
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (179,057)
Adjustments to reconcile net assets to net cash provided (used) by operating activities increase (decrease):	
Depreciation	11,433
(Decrease) increase in cash resulting from changes in:	
Accounts receivable	(23,416)
Promises to give	13,915
Other current assets	5,223
Accounts payable	11,781
Accrued expenses	13,935
Deposits	400
Net cash used by operating activities	(145,786)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(10,447)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on long-term debt	(2,327)
Net decrease in cash and cash equivalents	(158,560)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	536,486
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 377,926
SUPPLEMENTAL SCHEDULE	
Cash paid for interest	$ 13,322

The Notes to Financial Statements are an integral part of these statements

YOUTH ON THEIR OWN
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Youth On Their Own (the Organization) was incorporated in Arizona in 1989 for the purpose of supporting high school graduation of homeless youth by providing financial assistance, basic needs, and guidance. The Organization provides a monthly stipend for living assistance, provides cash grants to meet special needs, maintains a basic needs bank of donated items, provides career, education, and life skills training through Strategies for Success, and provides sexual health education through Project Contact. The Organization's support comes primarily from individual, business, foundation, church and service club contributions, and from various governmental agency grants.

Basis of Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, issued by the Financial Accounting Standards Board (FASB) for presentation of its financial statements. Under SFAS No. 117, non-profit organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2007, the Organization had no permanently restricted assets.

Contributions

All contributions are considered to be available for the general programs of the Organization, unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as temporarily restricted or permanently restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions; however, if all restricted contributions for a specific purpose are received and fulfilled in the same time period, the Organization reports the support as unrestricted.

Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service, unless the donor stipulates otherwise.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Goods and Services

Support arising from donated goods and services is recognized in the financial statements at its fair value. Donated services are recognized when the services received:

(a) create or enhance non-financial assets, or

(b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Although the Organization utilizes the services of outside volunteers to perform a variety of tasks that assist the Organization, the fair value of all these services may not be reflected in the financial statements because the above criteria are not met.

Donated equipment and supplies consist of furniture, computer equipment, food, clothing, personal care items, and other supplies donated by the public to be given to the students. Items are recorded at thrift store value as income and expense.

Donated items for special event auctions are recorded in the month in which they are auctioned and fair market value can be determined.

Equity Securities

Contributions of donated securities are recorded at their fair value on the date of donation. During the year ended June 30, 2007, the Organization received no contributions of equity securities.

Land, Buildings and Equipment

Expenditures for major improvements or items that benefit future periods are capitalized at cost, if purchased, or at fair market value at date of gift, if donated. Expenditures for repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2007 was $11,433. Upon sale or retirement of depreciable properties, the related cost and accumulated depreciation are removed from the accounts. All gains or losses are reflected in revenue in the year of disposition.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give

Unconditional promises to give are recognized as revenues or gains at their estimated net realizable value in the period received and are recognized as assets, decreases of liabilities, or expense, depending on the form of the benefits received. The provision for promises to give is based on management's estimate. Promises to give are periodically reviewed for collectability and written off to the provision at the time of such determination.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function or program are charged to programs and supporting services on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

Advertising Costs

Costs incurred for producing and communicating non-direct advertising are expensed when incurred. Costs incurred for direct response advertising is capitalized and amortized over its estimated useful life. No advertising costs were capitalized at June 30, 2007. Total advertising costs for the year ended June 30, 2007 were $40.

Income Taxes

The Organization is exempt from income taxes under both federal (Internal Revenue Code Section 501(c)(3)) and Arizona income tax laws, and is classified as other than a private foundation. The Organization is required to pay income taxes on its unrelated net income arising from a lease on property financed by debt. The Organization did not incur any unrelated business taxable net income during the year ended June 30, 2007. Accordingly, no provision for federal and state income taxes is made.

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of contributions, revenues, gains, and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

(continued)

2. CONCENTRATIONS OF CREDIT RISK

Cash in Banks

The Organization places its cash and cash equivalents with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit; however, management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable

The Organization grants unsecured credit without interest under contracts to its customers that are primarily governmental agencies in Arizona and other private foundations. Management generally considers accounts over 30 days to be past due. Receivables are considered fully collectible by management; therefore, no allowance for doubtful accounts has been provided.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2007:

Land	$ 180,706
Buildings and improvements	282,270
Office furniture and equipment	57,918
Total	520,984
Less accumulated depreciation	(78,134)
Net property and equipment	$ 442,760

4. LONG-TERM DEBT

Long-term debts consist of the following at June 30, 2007:

Notes payable, Horseshoe Management Co., in which a former board member's family has an ownership interest, payable in monthly payments of $1,284 including interest at 7.75%, collateralized by land and maturing in May 2011.	$ 167,524
Less current portion	(2,514)
Long-term debt, net of current portion	$ 165,010

(continued)

4. LONG-TERM DEBT (continued)

Future debt maturities are as follows:

Year Ended June 30	
2008	$ 2,514
2009	2,716
2010	2,934
2011	157,360
Total	$ 167,524

5. CONTINGENCIES

The Organization participates in a number of grant programs and a significant reduction in the level of this support, if it were to occur, could have a material effect on the programs and activities of the Organization. The governmental funding is subject to compliance audits by the respective governmental agencies. Assessments from such audits, if any, are recorded when the amounts of such assessments are reasonably determinable. Management has reviewed all costs and does not anticipate any material disallowed costs.

At times, the Organization may sign agreements to accept responsibility for damages rendered to a student's apartment unit. This is decided on a case by case basis. A potential obligation as a result of these agreements cannot be determined and, therefore, no liability has been recorded.

6. COMMITMENTS

The Organization has entered into noncancellable operating lease agreements for office equipment expiring at various dates through March 2010. Aggregate monthly rentals were $436 at June 30, 2007. Total rent expense associated with these leases amounted to $6,668 for the year ended June 30, 2007.

Future minimum lease payments under these lease agreements are as follows:

Year Ended June 30	
2008	$ 5,232
2009	4,246
2010	964
Total	$ 10,442

(continued)

7. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2007, certain board members donated funds to the Organization totaling $24,550.

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2007:

Furniture	$ 4,440
Building fund	3,000
Education	19,323
Sports equipment	424
Total permanently restricted net assets	$ 27,187

9. ALLOCATION OF JOINT COSTS

During the year ended June 30, 2007, the Organization incurred joint costs of $4,452 for newsletter printing and reproduction. Generally, the newsletter contains fundraising appeals and program related information. Costs are allocated between program services and fundraising based on percentage of content. In 2007, newsletter printing costs of $1,113 were allocated to program services, and $3,339 was allocated to fundraising expense.

10. SIGNIFICANT ESTIMATES

The allocations utilized to record the functional allocation of costs represent a significant estimate.

11. CONCENTRATIONS

At June 30, 2007, two agencies comprised approximately 100% of accounts receivable.