

Financial Statements

Ozanam Family Shelter Corporation

June 30, 2021 and 2020

OZANAM FAMILY SHELTER CORPORATION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Ozanam Family Shelter Corporation
1100 Read Street
Evansville, Indiana 47710

We have audited the accompanying financial statements of Ozanam Family Shelter Corporation (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets-cash basis as of June 30, 2021 and 2020, and the related statements of support, revenue, and expenses-cash basis and functional expenses-cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

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

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

Board of Directors
Ozanam Family Shelter Corporation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Ozanam Family Shelter Corporation as of June 30, 2021 and 2020, and its support, revenue, and expenses for the years then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Umbash & Associates, LLP

Certified Public Accountants
Evansville, Indiana
January 19, 2022

OZANAM FAMILY SHELTER CORPORATION
Statements of Assets, Liabilities, and Net Assets - Cash Basis
At June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents:		
Without restrictions	\$ 147,214	\$ 91,519
With donor restrictions	69,309	41,031
	216,523	132,550
Property and Equipment	1,245,733	1,222,309
Less accumulated depreciation	(939,134)	(898,854)
	306,599	323,455
Total Assets	\$ 523,122	\$ 456,005
Liabilities and Net Assets		
Net Assets		
Without restrictions:		
Undesignated	\$ 376,974	\$ 363,651
Designated - operating reserves	76,839	51,323
	453,813	414,974
With donor restrictions	69,309	41,031
Total Liabilities and Net Assets	\$ 523,122	\$ 456,005

See notes to financial statements

OZANAM FAMILY SHELTER CORPORATION
Statements of Support, Revenue, and Expenses - Cash Basis
For the Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Restriction s	With Donor Restriction	Total	Without Restriction s	With Donor Restriction	Total
Operating Support and Revenue						
Support:						
Contributions	\$ 201,312	\$ 00	\$ 201,312	\$ 173,460	\$ 00	\$ 173,460
Government grants and contracts	89,315	00	89,315	98,318	00	98,318
Special events	58,096	00	58,096	26,133	00	26,133
Grants - other	59,085	38,309	97,394	22,800	32,200	55,000
	<u>407,808</u>	<u>38,309</u>	<u>446,117</u>	<u>320,711</u>	<u>32,200</u>	<u>352,911</u>
Revenue:						
Interest income	20	00	20	20	00	20
Realized loss on disposal of assets	00	00	00	00	00	00
PPP loan proceeds	00	00	00	33,486	8,814	42,300
Miscellaneous income	366	00	366	1,231	00	1,231
	<u>408,194</u>	<u>38,309</u>	<u>446,503</u>	<u>355,448</u>	<u>41,014</u>	<u>396,462</u>
Net assets released from restrictions						
Satisfaction of program restrictions	10,031	(10,031)	00	25	(25)	00
	<u>418,225</u>	<u>28,278</u>	<u>446,503</u>	<u>355,473</u>	<u>40,989</u>	<u>396,462</u>
Operating Expenses						
Program services	310,149	00	310,149	293,855	00	293,855
Management and general	54,853	00	54,853	58,166	00	58,166
Fundraising	14,384	00	14,384	3,988	00	3,988
	<u>379,386</u>	<u>00</u>	<u>379,386</u>	<u>356,009</u>	<u>00</u>	<u>356,009</u>
Change in Net Assets	38,839	28,278	67,117	(536)	40,989	40,453
Net Assets - Beginning of Year	414,974	41,031	456,005	415,510	42	415,552
Net Assets - End of Year	<u>\$ 453,813</u>	<u>\$ 69,309</u>	<u>\$ 523,122</u>	<u>\$ 414,974</u>	<u>\$ 41,031</u>	<u>\$ 456,005</u>

See notes to the financial statements

OZANAM FAMILY SHELTER CORPORATION
Statements of Functional Expenses - Cash Basis
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>				<u>2020</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Gross wages	\$ 175,444	\$ 38,716	\$ 11,062	\$ 225,222	\$ 148,488	\$ 45,048	\$ 00	\$ 193,536
Taxes - payroll	13,486	2,962	846	17,294	11,359	3,446	00	14,805
Utilities	23,525	3,514	00	27,039	24,972	2,775	00	27,747
Telephone	2,803	419	00	3,222	2,570	286	00	2,856
Contract case management	1,200	00	00	1,200	9,800	00	00	9,800
Insurance	16,744	2,502	00	19,246	12,780	1,420	00	14,200
Groceries	5,568	00	00	5,568	11,511	00	00	11,511
Supplies	6,954	00	00	6,954	7,801	00	00	7,801
Office supplies	8,546	00	00	8,546	5,867	00	00	5,867
Repairs and maintenance	10,060	1,503	00	11,563	11,647	1,294	00	12,941
Resident children gift expenses	254	00	00	254	965	00	00	965
Professional fees	8,100	00	00	8,100	7,750	00	00	7,750
Fundraising - mailings	00	00	2,476	2,476	00	00	3,988	3,988
Miscellaneous	2,421	00	00	2,421	3,270	00	00	3,270
Depreciation expense	35,044	5,237	00	40,281	35,075	3,897	00	38,972
Total Functional Expenses	<u>\$ 310,149</u>	<u>\$ 54,853</u>	<u>\$ 14,384</u>	<u>\$ 379,386</u>	<u>\$ 293,855</u>	<u>\$ 58,166</u>	<u>\$ 3,988</u>	<u>\$ 356,009</u>

OZANAM FAMILY SHELTER CORPORATION
Notes to Financial Statements - Cash Basis
For The Years Ended June 30, 2021 and 2020

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Business - The Ozanam Family Shelter Corporation was incorporated in 1990 in the State of Indiana as a nonprofit organization. The Organization operates an emergency shelter for homeless families in Evansville, Indiana. The Organization's major sources of revenue consist of individual and corporate donations and governmental grants and contracts.

Basis of Reporting - The Organization prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

Donated Services and Food - A number of volunteers have donated time to the Organization's program services during the year, however, these donated services are not reflected in the financial statements because the Organization is on the cash basis of accounting and because the services do not require specialized skills. The Organization also does not record food and other personal goods received as donations for program services during the year.

Financial Statement Presentation - Information regarding financial position and activities are reported in two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors – net assets without donor restrictions and net assets with donor restrictions.

Donor restricted contributions which are expended in the year received are reported as contributions without donor restrictions.

Liquidity Management – As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirement in interest bearing bank accounts.

Subsequent Events – Management has evaluated subsequent events through January 19, 2022, which was the date the financial statements were available to be issued.

Property, Equipment, and Depreciation - Property and equipment are stated at cost for purchased assets and at fair value for donated assets. Provisions for depreciation of property and equipment have been computed on the straight-line method over the estimated useful life. The cost of property and equipment purchased in excess of \$100 is capitalized.

Forgivable Loans Received Under the Small Business Administration Paycheck Protection Program – In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In May 2020, the Organization obtained a PPP loan for \$42,300. The Organization received notice of loan forgiveness in 2021, therefore the Organization recognized the proceeds as revenue for the year ended June 30, 2020.

OZANAM FAMILY SHELTER CORPORATION
Notes to Financial Statements - Cash Basis
For The Years Ended June 30, 2021 and 2020

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued:

Use of Estimates - The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

The Organization's Federal Forms 990 and Indiana Forms NP-20 are generally no longer subject to examination by taxing authorities for years before 2018.

Functional Expense Allocation - Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of time studies and building square footage. Management and general 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.

Concentrations - The Organization received approximately 11 percent and 26 percent of its operating support from certain federal and local governments for the years ended June 30, 2021 and 2020, respectively. In 2021, the Organization received 13 percent of its operating support from a single grantor organization. A significant reduction in the level of this support may have a significant effect on the Organization's programs and activities.

Unemployment Compensation - The Organization has elected to finance unemployment compensation benefits under a reimbursement method whereby the Organization is billed for actual benefits paid. This option is available for certain governmental and not-for-profit organizations.

NOTE 2 - FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate fair value: Cash and cash equivalents - carrying amount approximates fair value because of the short maturity of those instruments.

OZANAM FAMILY SHELTER CORPORATION
Notes to Financial Statements - Cash Basis
For The Years Ended June 30, 2021 and 2020

NOTE 3 - PROPERTY AND EQUIPMENT:

Property and equipment at June 30, 2021 and 2020 consisted of the following:

	2021		2020	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 96,560	\$ 00	\$ 96,560	\$ 00
Land improvements	53,119	35,955	53,119	32,414
Equipment	86,152	53,948	86,152	45,235
Furniture and fixtures	26,991	24,755	26,772	20,995
Building and improvements	982,911	824,476	959,706	800,210
	<u>\$ 1,245,733</u>	<u>\$ 939,134</u>	<u>\$ 1,222,309</u>	<u>\$ 898,854</u>

NOTE 4 – DONOR RESTRICTED CASH AND NET ASSETS:

Donor Restricted Net Assets – Donor restricted net assets at June 30, 2021 and 2020 are available for the following purposes:

	2021	2020
Contract case management	\$ 31,000	\$ 32,200
Walk-in freezer	35,600	00
Bathroom remodel	1,894	00
Cleaning Supplies	815	00
Childrens fund	00	17
PPP loan proceeds	00	8,814
	<u>\$ 69,309</u>	<u>\$ 41,031</u>

Assets Released from Restrictions - Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2021	2020
Purpose restriction accomplished:		
Contract case management	\$ 1,200	\$ 00
Childrens fund	17	25
PPP loan proceeds	8,814	00
	<u>\$ 10,031</u>	<u>\$ 25</u>

OZANAM FAMILY SHELTER CORPORATION
Notes to Financial Statements - Cash Basis
For The Years Ended June 30, 2021 and 2020

NOTE 5 - REVENUE:

The Organization receives its government grant revenue through periodic receipts of funds claimed by monthly filings with the respective funding sources. The Organization receives grant revenues from the following governmental sources:

The Evansville Department of Metropolitan Development (DMD) operates on a June 30th fiscal year. The award amounts for fiscal years ended June 30, 2021 and 2020 were \$26,888 and \$15,940, respectively.

During 2020, the Evansville Department of Metropolitan Development awarded additional funds for Emergency Covid Response Relief as provided by the CARES Act. \$26,347 was awarded to the Organization in the first round. The Organization was awarded a second round of \$26,888, which will be claimed in fiscal year ending June 30, 2022.

The Indiana Housing and Community Development Authority (IHCDA) operates on a June 30th fiscal year. The award amounts for fiscal years ended June 30, 2021 and 2020 were \$50,984 and \$49,617, respectively. Subsequent to June 30, 2021, the grant agreement was renewed for \$47,500 for fiscal year ending June 30, 2022.

The Organization also has a fee for service agreement with the Indiana Department of Education (IDOE), which operates on a September 30th fiscal year. The revenue amount is determined monthly by the number of meals the Organization serves to children multiplied by established reimbursement rates. Subsequent to June 30, 2021, the agreement was renewed for the fiscal year ending September 30, 2022.

In accordance with the cash basis method of accounting, government revenues are recognized as received by the Organization. Government revenue received for the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
DMD	\$ 1,240	\$ 17,632
DMD - COVID response	20,077	00
IHCDA	51,364	49,237
IDOE	16,634	31,449
	<u>\$ 89,315</u>	<u>\$ 98,318</u>