

Ain Dah Yung (Our Home) Center

St. Paul, Minnesota

**Financial Statements
Auditor's Report
For the Years Ended
December 31, 2019 and 2018**



CERTIFIED PUBLIC ACCOUNTANTS

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Carpenter, Evert & Associates

Certified Public Accountants

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Independent Auditor's Report

Board of Directors
Ain Dah Yung (Our Home) Center
St. Paul, Minnesota

We have audited the accompanying financial statements of Ain Dah Yung (Our Home) Center, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expense, and cash flows 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 accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to 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 audits to obtain reasonable assurance about whether the financial statements are free of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ain Dah Yung (Our Home) Center as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Carpenter Evert and Associates, Ltd.

Certified Public Accountants

Minneapolis, Minnesota
July 27, 2020

AIN DAH YUNG (OUR HOME) CENTER
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2019 WITH
COMPARATIVE TOTALS FOR 2018

| | 2019 | | | | | | | | | | 2018 | |
|----------------------------------|--------------------------|-------------|------------------|----------------------|------------------|------------------------|--------------|----------------------|----------------------|------------------------|------------------------|--------------------|
| | Program Services | | | | | Support Services | | | | | Total All Services | Total All Services |
| | Youth Programs | | Family Programs | | | Total Program Services | Fund-raising | | Management & General | Total Support Services | | |
| Emergency Shelter | Prevention/ Intervention | Youth Lodge | Support Services | Counseling & Support | Support Services | | Fund-raising | Management & General | | | Total Support Services | Total All Services |
| Salaries | \$ 427,025 | \$ 135,249 | \$ 287,232 | \$ 195,041 | \$ 97,547 | \$ 1,142,094 | \$ 157,244 | \$ 98,283 | \$ 255,527 | \$ 1,397,621 | \$ 1,267,477 | |
| Employee Benefits | 38,741 | 12,270 | 26,058 | 17,694 | 8,850 | 103,613 | 14,243 | 8,917 | 23,160 | 126,773 | 125,711 | |
| Payroll Taxes | 39,701 | 12,575 | 26,704 | 18,133 | 9,069 | 106,182 | 14,556 | 9,137 | 23,693 | 129,875 | 124,787 | |
| Total Personnel Expense | 505,467 | 160,094 | 339,994 | 230,868 | 115,466 | 1,351,889 | 186,043 | 116,337 | 302,380 | 1,654,269 | 1,517,975 | |
| Consulting/Professional Fees | 7,763 | 37,444 | 2,650 | 12,104 | 28,659 | 88,620 | 10,663 | 129,149 | 139,812 | 228,432 | 216,114 | |
| Legal and Accounting | 4,008 | - | - | - | - | 4,008 | 93,239 | - | 93,239 | 97,247 | 15,529 | |
| Client Services | 13,378 | 1,670 | 3,664 | 30,351 | 2,028 | 51,091 | 6,977 | - | 6,977 | 58,068 | 117,380 | |
| Recreation Costs | 9,088 | 22,608 | 1,497 | - | - | 33,193 | 3,763 | - | 3,763 | 36,956 | 26,990 | |
| Equipment Rental and Maintenance | 10,153 | 1,590 | 14,195 | 396 | - | 26,334 | 9,057 | - | 9,057 | 35,391 | 9,795 | |
| Dues, Licenses and Fees | 3,663 | 736 | 1,392 | 682 | 25 | 6,498 | 19,354 | - | 19,354 | 25,852 | 18,413 | |
| Building Maintenance | 10,976 | 1,125 | 7,779 | 2,778 | 756 | 23,414 | 2,125 | - | 2,125 | 25,539 | 41,394 | |
| Food | 3,830 | 3,999 | 8,328 | 329 | 1,066 | 17,552 | 5,106 | 967 | 6,073 | 23,625 | 38,469 | |
| Fundraising Events | - | - | - | - | - | - | - | 22,687 | 22,687 | 22,687 | 12,667 | |
| Utilities | 7,290 | 1,813 | 6,009 | 870 | 870 | 16,852 | 4,124 | - | 4,124 | 20,976 | 21,981 | |
| Insurance | 5,976 | 396 | - | 960 | 600 | 7,932 | 10,190 | - | 10,190 | 18,122 | 21,011 | |
| Telephone | 6,361 | 729 | 4,664 | 2,244 | 1,188 | 15,186 | 1,095 | - | 1,095 | 16,281 | 15,347 | |
| Transportation - Staff | 2,887 | 3,761 | - | 3,570 | 2,600 | 12,818 | 2,543 | - | 2,543 | 15,361 | 10,440 | |
| Instructional/Other Supplies | - | 15,336 | - | - | - | 15,336 | - | - | - | 15,336 | 12,735 | |
| Contract Fundraisers | - | - | - | - | - | - | - | 13,000 | 13,000 | 13,000 | 22,795 | |
| Office Supplies | 4,665 | 912 | 750 | 656 | 689 | 7,672 | 4,643 | - | 4,643 | 12,315 | 9,307 | |
| Personal Supplies | 3,248 | - | 6,462 | - | - | 9,710 | - | - | - | 9,710 | 8,514 | |
| Development - Staff | 1,620 | - | 1,537 | - | 1,821 | 4,978 | 796 | - | 796 | 5,774 | 3,462 | |
| Postage | 957 | - | 149 | - | - | 1,106 | 2,045 | 201 | 2,246 | 3,352 | 3,314 | |
| Printing | 348 | - | 184 | 458 | 396 | 1,386 | 612 | 170 | 782 | 2,168 | 4,186 | |
| Depreciation | 29,657 | 6,174 | 11,015 | 6,173 | 6,173 | 59,192 | - | - | - | 59,192 | 59,470 | |
| Total | \$ 631,335 | \$ 258,387 | \$ 410,269 | \$ 292,439 | \$ 162,337 | \$ 1,754,767 | \$ 362,375 | \$ 282,511 | \$ 644,886 | \$ 2,399,653 | \$ 2,207,288 | |

The accompanying Notes to Financial Statements are an integral part of this statement.

AIN DAH YUNG (OUR HOME) CENTER
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2018

| | Program Services | | | | Support Services | | | | | |
|----------------------------------|-------------------|--------------------------|-----------------|------------------|----------------------|------------------|----------------------|--------------|------------------|--------------|
| | Youth Programs | | Family Programs | | Management & General | | Fund-raising | | Total | |
| | Emergency Shelter | Prevention/ Intervention | Youth Lodge | Support Services | Counseling & Support | Program Services | Management & General | Fund-raising | Support Services | |
| Salaries | \$ 387,261 | \$ 122,655 | \$ 260,485 | \$ 176,879 | \$ 88,464 | \$ 1,035,744 | \$ 142,602 | \$ 89,131 | \$ 231,733 | \$ 1,267,477 |
| Employee Benefits | 38,416 | 12,167 | 25,840 | 17,546 | 8,776 | 102,745 | 14,124 | 8,842 | 22,966 | 125,711 |
| Payroll Taxes | 38,145 | 12,082 | 25,658 | 17,423 | 8,714 | 102,022 | 13,986 | 8,779 | 22,765 | 124,787 |
| Total Personnel Expense | 463,822 | 146,904 | 311,983 | 211,848 | 105,954 | 1,240,511 | 170,712 | 106,752 | 277,464 | 1,517,975 |
| Consulting/Professional Fees | 6,000 | 35,774 | - | - | 30,719 | 72,493 | 4,302 | 139,319 | 143,621 | 216,114 |
| Legal and Accounting | 3,450 | - | - | 360 | - | 3,810 | 11,719 | - | 11,719 | 15,529 |
| Client Services | 11,947 | 6,995 | - | 94,610 | 3,828 | 117,380 | - | - | - | 117,380 |
| Recreation Costs | 9,093 | 12,231 | 5,666 | - | - | 26,990 | - | - | - | 26,990 |
| Equipment Rental and Maintenance | 2,539 | 1,061 | 556 | 536 | - | 4,692 | 4,980 | 123 | 5,103 | 9,795 |
| Dues, Licenses and Fees | 4,906 | - | 2,127 | 1,525 | - | 8,558 | 9,855 | - | 9,855 | 18,413 |
| Building Maintenance | 17,360 | 1,900 | 9,902 | 3,000 | 1,825 | 33,987 | 7,407 | - | 7,407 | 41,394 |
| Food | 6,236 | 6,511 | 13,561 | 536 | 1,736 | 28,580 | 8,315 | 1,574 | 9,889 | 38,469 |
| Fundraising Events | - | - | - | - | - | - | - | 12,667 | 12,667 | 12,667 |
| Utilities | 7,639 | 1,900 | 6,297 | 912 | 912 | 17,660 | 4,321 | - | 4,321 | 21,981 |
| Insurance | 5,976 | 396 | 4,200 | 1,132 | 300 | 12,004 | 9,007 | - | 9,007 | 21,011 |
| Telephone | 4,840 | 804 | 4,029 | 2,200 | 591 | 12,464 | 2,883 | - | 2,883 | 15,347 |
| Transportation - Staff | 2,522 | 1,475 | - | 2,455 | 2,933 | 9,385 | 1,055 | - | 1,055 | 10,440 |
| Instructional/Other Supplies | - | 12,735 | - | - | - | 12,735 | - | - | - | 12,735 |
| Contract Fundraisers | - | - | - | - | - | - | - | 22,795 | 22,795 | 22,795 |
| Office Supplies | 2,156 | 549 | 575 | 634 | 535 | 4,449 | 4,480 | 378 | 4,858 | 9,307 |
| Personal Supplies | 3,009 | - | 5,505 | - | - | 8,514 | - | - | - | 8,514 |
| Development - Staff | 991 | - | 1,334 | - | 100 | 2,425 | 1,037 | - | 1,037 | 3,462 |
| Postage | 750 | 110 | 350 | 216 | - | 1,426 | 1,888 | - | 1,888 | 3,314 |
| Printing | 400 | 450 | 418 | 408 | 200 | 1,876 | 2,077 | 233 | 2,310 | 4,186 |
| Depreciation | 29,796 | 6,203 | 11,067 | 6,202 | 6,202 | 59,470 | - | - | - | 59,470 |
| Total | \$ 583,432 | \$ 235,998 | \$ 377,570 | \$ 326,574 | \$ 155,835 | \$ 1,679,409 | \$ 244,038 | \$ 283,841 | \$ 527,879 | \$ 2,207,288 |

The accompanying Notes to Financial Statements are an integral part of this statement.

AIN DAH YUNG (OUR HOME) CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

| <u>ASSETS</u> | <u>2019</u> | <u>2018</u> |
|---|-------------------------|-------------------------|
| Current Assets: | | |
| Cash | \$ 328,617 | \$ 615,728 |
| Accounts Receivable | 335,877 | 318,170 |
| Investments | 6,003 | 6,003 |
| Grants and Pledges Receivable - Current | 562,850 | 261,967 |
| Prepaid Expenses | 16,459 | 19,367 |
| Total Current Assets | <u>1,249,806</u> | <u>1,221,235</u> |
| Grants and Pledges Receivable | 155,000 | 135,000 |
| Partnership Investment | 140,000 | 140,000 |
| Property and Equipment - Net | <u>577,902</u> | <u>484,021</u> |
| TOTAL ASSETS | <u>\$ 2,122,708</u> | <u>\$ 1,980,256</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current Liabilities: | | |
| Accounts Payable | \$ 7,994 | \$ 33,029 |
| Accrued Payroll Liabilities | 78,054 | 57,643 |
| Accrued Unemployment Expenses | 15,000 | 15,000 |
| Refundable Advance | 25,493 | - |
| Total Current Liabilities | <u>126,541</u> | <u>105,672</u> |
| Note Payable | <u>47,500</u> | <u>47,500</u> |
| Total Liabilities | 174,041 | 153,172 |
| Net Assets: | | |
| Without Donor Restrictions: | | |
| Board Designated | 125,000 | 125,000 |
| Undesignated | 623,638 | 729,357 |
| Total Without Donor Restrictions | <u>748,638</u> | <u>854,357</u> |
| With Donor Restrictions | <u>1,200,029</u> | <u>972,727</u> |
| Total Net Assets | <u>1,948,667</u> | <u>1,827,084</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 2,122,708</u> | <u>\$ 1,980,256</u> |

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

AIN DAH YUNG (OUR HOME) CENTER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

| <u>Increase (Decrease) in Cash</u> | <u>2019</u> | <u>2018</u> |
|---|-------------------|-------------------|
| Cash Flows from Operating Activities: | | |
| Change in Net Assets | \$ 121,583 | \$ 579,789 |
| Total Adjustment | <u>(255,621)</u> | <u>(38,093)</u> |
| Net Cash Provided (Used) by Operating Activities: | (134,038) | 541,696 |
| Cash Flows from Investing Activities: | | |
| Purchase of Property and Equipment | (153,073) | (3,091) |
| Cash Paid Toward Partnership Investment | <u>-</u> | <u>(140,000)</u> |
| Net Cash (Used) by Investing Activities: | (153,073) | (143,091) |
| Cash Flows from Financing Activities: | | |
| None | <u>-</u> | <u>-</u> |
| Net Increase (Decrease) in Cash | (287,111) | 398,605 |
| Cash - Beginning of Year | <u>615,728</u> | <u>217,123</u> |
| Cash - End of Year | <u>\$ 328,617</u> | <u>\$ 615,728</u> |

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

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies

Organizational Purpose

Since its inception, the Ain Dah Yung (Our Home) Center (the Organization) has provided a healing place within the community for American Indian youth and families to thrive in safety and wholeness. Although it originally concentrated on providing emergency shelter for runaway and homeless American Indian youth, the Organization currently provides a multitude of services intended to strengthen personal and community growth for youth and families in the region.

The Organization's programs are as follows:

Youth Programs:

Emergency Shelter – A culturally specific emergency shelter to American Indian youth who are homeless, runaway, in a family crisis, or involved with juvenile corrections. Services include: emergency and short-term shelter, crisis intervention, case systems advocacy, information and referrals, access to medical/dental care, counseling, case management and community education.

Prevention/Intervention – Ninijanisag (Our Children) is a multifaceted program focusing heavily on engagement and prevention – working to ground youth in Native culture while designed to combat chemical and commercial tobacco abuse, teen dating violence, gang relations, sex trafficking and other self-compromising behaviors among at-risk youth between ages of 8-17.

Youth Lodge – Beverley A. Benjamin Youth Lodge is a culturally grounded transitional living program available to youth between the ages of 16-21 that have no parental substitute or foster home to which they can safely go. This intervention program emphasizes training, education and employment goals and is designed to develop a support system to meet holistic needs of body, mind, and spirit. The Street Outreach program under youth lodge is a street-based support program to runaway or homeless youth unable or not wanting to enter a shelter. Case workers provide information on safe housing, basic needs resources and health related issues. They also provide health and personal care supplies, food and access to transportation.

Family Programs:

Family Support Services – These services are designed to keep American Indian families together and strong by providing the knowledge, skills and resources they need to provide a safe, stable environment for their children.

Family Preservation and Reunification – Oyate Nawajin “Stand With the People” is a family advocacy program that uses traditional American Indian traditions and an asset based approach that builds on the strengths of families and was established in response to the disproportionate placement of American Indian children outside the home. We provide family preservation and reunification services that combines self-help, professional intervention, and cultural reinforcement in order to strengthen families experiencing a process of family reunification and/or stressful parenting situations.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies (continued)

Organizational Purpose (continued)

Indian Child Welfare Legal Advocacy/Compliance (ICWLAC) Project - Created to enforce local compliance with the federal Indian Child Welfare Act (ICWA). The Organization's ICWLAC Project provides court monitoring on cases involving American Indian children, legal representation to American Indian families (through a collaboration with SMRLS), and education/outreach to identify systemic problems and strategize on solutions regarding ICWA compliance.

Counseling & Support – Ramsey County Children's Mental Health Case Management provides support, case management and assistance in coordinating resources for families with children who have mental health needs.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restrictions. A description of the groupings is as follows:

Net Assets without Donor Restrictions – Net assets which are not restricted by donor-imposed stipulations. These net assets include both board designated and undesignated amounts. Property and equipment is reported as net assets without donor restrictions.

Net Assets with Donor Restrictions – The part of net assets of the Organization resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions pursuant to those stipulations.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable and Doubtful Accounts

Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and the Organization does not charge interest on accounts receivable balances. The Organization reviews accounts receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. No allowance for doubtful accounts has been provided as accounts receivable are considered collectable.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies (continued)

Promises-To-Give (Grants and Pledges Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Investments

The Organization carries its investments at market value.

Property and Equipment

All major expenditures for land, buildings, improvements and equipment are capitalized at cost. Property and equipment that was purchased or appraised at a value greater than \$3,000 is capitalized. Property and equipment are stated at the fair value at the date of donation in case of donated assets. Depreciation is provided through the use of the straight-line method, over an estimated useful life.

Contributions

Contributions are recorded when received and recognized as support in the period received. If donor-imposed restrictions accompany the contribution, the amount is recorded as net assets with donor restrictions until the donor-imposed restrictions expire or are fulfilled. Net assets with donor restrictions are reclassified to net assets without donor restrictions in the period donor-imposed restrictions expire or are fulfilled, and are reported in the Statements of Activities under the Support and Revenue Category – Net Assets Released from Restrictions.

Government Grants and Contracts

Government grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Funds received but not yet earned are shown as refundable advances. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Unemployment Cost

The Organization has elected to self insure its unemployment cost by reimbursing the State of MN for any unemployment benefits paid to its former employees.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expense

Salaries and related expenses are allocated on job descriptions and the best estimates of management. Expenses related to a specific program or supporting service are charged directly to that program or service. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service are allocated based on the best estimates of management.

Income Tax

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. The Organization's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. The Organization continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, the Organization annually files a Return of Organization Exempt From Income Tax (Form 990).

Use of Estimates

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

New Accounting Pronouncement

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standards improve the usefulness and understandability of the Organization's financial reporting.

The Organization has also adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard. Both ASU's have been applied retrospectively for the periods ended December 31, 2019 and 2018, as required.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies (continued)

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the financial statements through July 27, 2020, which is the date financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through both mandated and voluntary closing of organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. Therefore, the Organization expects this matter to potentially have negative impact on its operating results, but reasonable estimates cannot be made at this time.

2. Significant Concentrations of Credit Risk

The Organization provides services within the Twin Cities area. The amounts due for services provided are from individuals, or their third-party payors, substantially all of whom are local residents. In addition, grants and contributions receivable are from local residents, governments or institutions.

At December 31, 2019 and 2018, the Organization held funds at a local financial institution in excess of federally insured limits.

3. Grants and Pledges Receivable

The balances of grants and pledges receivable are due as follows:

| <u>Due in the Year Ending December 31,</u> | <u>December 31,</u> | |
|--|---------------------|-------------------|
| | <u>2019</u> | <u>2018</u> |
| 2019 | \$ - | \$ 261,967 |
| 2020 | 562,850 | 105,000 |
| 2021 | <u>155,000</u> | <u>30,000</u> |
| Total Grants and Pledges Receivable | 717,850 | 396,967 |
| Less Current Portion | <u>562,850</u> | <u>261,967</u> |
| Non-current Portion | <u>\$ 155,000</u> | <u>\$ 135,000</u> |

All grants and pledges receivable are considered collectable.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

4. Investments

The Organization held the following investments as of:

| | December 31, | | | |
|------------------------------|--------------|------------|----------|------------|
| | 2019 | | 2018 | |
| | Cost | Fair Value | Cost | Fair Value |
| Marketable Equity Securities | \$ 2,950 | \$ 6,003 | \$ 2,950 | \$ 6,003 |

The Organization carries its partnership interest in the ADYC Supportive Housing Limited Partnership at cost. The amount carried as a long-term asset was \$140,000 for both the years ended December 31, 2019 and 2018. This investment is tested annually for impairment.

5. Property and Equipment

The Organization owned the following as of:

| | December 31, | | Estimated Useful Lives |
|-------------------------------|--------------|------------|---------------------------|
| | 2019 | 2018 | |
| Land | \$ 68,000 | \$ 68,000 | |
| Buildings | 368,564 | 368,564 | 30 years |
| Improvements | 870,469 | 830,091 | 30 years |
| Furniture and Equipment | 262,475 | 149,780 | 2-10 years |
| Vehicles | 61,247 | 61,247 | 3-5 years |
| | 1,630,755 | 1,477,682 | |
| Less Accumulated Depreciation | 1,052,853 | 993,661 | |
| | \$ 577,902 | \$ 484,021 | |

Depreciation expense of \$59,192 and \$59,470 was recorded for the years ended December 31, 2019 and 2018, respectively.

6. Line-of-Credit

The Organization maintains a \$125,000 revolving line-of-credit with Western Bank, bearing interest equal to 5.75% rate secured by real property. As of December 31, 2019 and 2018, there were no amounts outstanding.

7. Board-Designated Net Assets

The Board of Directors has made the following designation of net assets without donor restrictions as of:

| | December 31, | |
|--------------------------|--------------|------------|
| | 2019 | 2018 |
| Board Designated Reserve | \$ 125,000 | \$ 125,000 |

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

8. Notes Payable

The breakdown of deferred loans and notes payable are as follows:

| | December 31, | |
|--|--------------|-----------|
| | 2019 | 2018 |
| Deferred, non-interest bearing loan with Family Housing Fund. No interest or monthly payments on this loan. Matures April 2027. Secured by property. | \$ 23,750 | \$ 23,750 |
| Deferred, non-interest bearing loan with Housing and Redevelopment Authority of the City of St. Paul. No interest of monthly payments on this loan. Matures April 2027. Secured by property. | 23,750 | 23,750 |
| | 47,500 | 47,500 |
| Less Portion Due Within One (1) Year | - | - |
| Long-term Portion | \$ 47,500 | \$ 47,500 |

Principal payments required are as follows:

| <u>Due in the Year Ending December 31,</u> | |
|--|-----------|
| 2020 | \$ - |
| 2021 | - |
| 2022 | - |
| 2023 | - |
| 2024 | - |
| 2025 and beyond | 47,500 |
| Total | \$ 47,500 |

9. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of amounts for the following as of:

| | December 31, | |
|---|--------------|------------|
| | 2019 | 2018 |
| Subject to expenditure for specified purpose: | | |
| Mino Oski Ain Dah Yung Campaign | \$ 732,029 | \$ 972,727 |
| Capacity Building | 438,000 | - |
| | 1,170,029 | 972,727 |
| Subject to passage of time: | | |
| Future Years General Operations | 30,000 | - |
| Total Net Assets with Donor Restrictions | \$ 1,200,029 | \$ 972,727 |

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10. Major Sources of Support and Revenue

Major sources of support and revenue were as follows as of:

| | <u>December 31,</u> | |
|---|---------------------|-------------|
| | <u>2019</u> | <u>2018</u> |
| State of Minnesota – Department of Human Services | \$ 204,387 | \$ 239,091 |
| US Department of Health and Human Services | 131,829 | 133,325 |
| Minnesota Department of Health | 111,593 | 101,465 |

11. In-kind Contributions

The Organization values in-kind contributions at fair market value at date of donation. In-kind contributions were as follows as of:

| | <u>December 31,</u> | |
|----------------------------------|---------------------|-------------|
| | <u>2019</u> | <u>2018</u> |
| Capital Campaign Consultant Fees | \$ - | \$ 40,000 |

12. Liquidity and Availability

The following represents the Organization's financial assets at:

| | <u>December 31,</u> | |
|---|---------------------|---------------------|
| | <u>2019</u> | <u>2018</u> |
| Financial Assets: | | |
| Cash | \$ 328,617 | \$ 615,728 |
| Investments | 6,003 | 6,003 |
| Accounts Receivable | 335,877 | 320,777 |
| Grants and Pledges Receivable | <u>717,850</u> | <u>394,359</u> |
| | <u>\$ 1,388,347</u> | <u>\$ 1,336,867</u> |
| Less assets not available to be used within one year: | | |
| Net Assets with Donor Restrictions | 1,200,029 | 972,727 |
| Net Assets with Restrictions to be met within one year | (468,000) | - |
| Board-Designated Net Assets | <u>125,000</u> | <u>125,000</u> |
| Total assets not available to be used within one year | <u>857,029</u> | <u>1,097,727</u> |
| Financial assets available for general expenditures within one year | <u>\$ 531,318</u> | <u>\$ 239,140</u> |

The Organization maintains a \$125,000 line-of-credit that can be utilized to aid in liquidity.

The Board has designated \$125,000 as an operating reserve. This designated amount has been excluded from the assets available for general expenditures within one year, but could be made available if necessary with a resolution from the Board.

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13. Fair Value

The Organization adopted Financial Accounting Standards Board Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures ("ASC 820"). In accordance with ASC 820, "fair value" is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value of the investments at December 31, 2019:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|------------------------------|-----------------|----------------|----------------|-----------------|
| Marketable Equity Securities | \$ <u>6,003</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>6,003</u> |

The following is a summary of the inputs used to determine the fair value of the investments at December 31, 2018:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|------------------------------|-----------------|----------------|----------------|-----------------|
| Marketable Equity Securities | \$ <u>6,003</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>6,003</u> |

14. Cash Flow Operating Adjustments

Adjustments to reconcile Change in Net Assets to Net Cash (Used) by Operating Activities were as follows as of:

| | <u>December 31,</u> | |
|---|---------------------|--------------------|
| | <u>2019</u> | <u>2018</u> |
| Depreciation | \$ 59,192 | \$ 59,470 |
| Unrealized Loss on Investments | - | 1,547 |
| Grants and Pledges Receivable | (20,000) | (45,000) |
| Increases (Decreases) in Current Liabilities: | | |
| Accounts Payable | (25,035) | 16,786 |
| Accrued Payroll Liabilities | 20,411 | 3,883 |
| Refundable Advance | 25,493 | - |
| Decreases (Increases) in Current Assets: | | |
| Grants and Pledges Receivable | (300,883) | (48,119) |
| Accounts Receivable | (17,707) | (73,347) |
| Prepaid Expenses | 2,908 | 46,687 |
| Total Adjustments | <u>\$ (255,621)</u> | <u>\$ (38,093)</u> |