

Ain Dah Yung (Our Home) Center

St. Paul, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
December 31, 2021 and 2020



CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Ain Dah Yung (Our Home) Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related 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 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, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ain Dah Yung (Our Home) Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ain Dah Yung (Our Home) Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Ain Dah Yung (Our Home) Center'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ain Dah Yung (Our Home) Center'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.

Capite Ent al Amit, Ptd.

Certified Public Accountants

Minneapolis, Minnesota
July 18, 2022

AIN DAH YUNG (OUR HOME) CENTER
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions and Grants	\$ 723,829	\$ 1,317,905	\$ 2,041,734	\$ 926,435	\$ 410,000	\$ 1,336,435
Government Grants	2,354,748	9,000	2,363,748	2,193,764	-	2,193,764
Program Service Fees	271,932	-	271,932	127,737	-	127,737
Other Income	107,015	-	107,015	48,260	-	48,260
Investment Income	5,017	-	5,017	70	-	70
Net Assets Released from Restrictions:						
Satisfaction of Purpose Restrictions	700,220	(700,220)	-	864,421	(864,421)	-
Satisfaction of Time Restrictions	-	-	-	30,000	(30,000)	-
Total Support and Revenue	<u>4,162,761</u>	<u>626,685</u>	<u>4,789,446</u>	<u>4,190,687</u>	<u>(484,421)</u>	<u>3,706,266</u>
Expense:						
Program Services:						
Youth Programs:						
Emergency Shelter	624,768	-	624,768	506,519	-	506,519
Mino Oski	695,257	-	695,257	866,644	-	866,644
Prevention/Intervention	306,809	-	306,809	278,371	-	278,371
Youth Lodge	450,439	-	450,439	476,753	-	476,753
Family Programs:						
Family Support Services	429,075	-	429,075	380,468	-	380,468
Counseling & Support	161,267	-	161,267	64,517	-	64,517
Total Program Services	<u>2,667,615</u>	<u>-</u>	<u>2,667,615</u>	<u>2,573,272</u>	<u>-</u>	<u>2,573,272</u>
Support Services:						
Management and General	731,440	-	731,440	520,850	-	520,850
Fundraising	276,355	-	276,355	322,018	-	322,018
Total Support Services	<u>1,007,795</u>	<u>-</u>	<u>1,007,795</u>	<u>842,868</u>	<u>-</u>	<u>842,868</u>
Total Expense	<u>3,675,410</u>	<u>-</u>	<u>3,675,410</u>	<u>3,416,140</u>	<u>-</u>	<u>3,416,140</u>
Change in Net Assets	487,351	626,685	1,114,036	774,547	(484,421)	290,126
Net Assets - Beginning of Year	<u>1,523,185</u>	<u>715,608</u>	<u>2,238,793</u>	<u>748,638</u>	<u>1,200,029</u>	<u>1,948,667</u>
Net Assets - End of Year	<u>\$ 2,010,536</u>	<u>\$ 1,342,293</u>	<u>\$ 3,352,829</u>	<u>\$ 1,523,185</u>	<u>\$ 715,608</u>	<u>\$ 2,238,793</u>

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

AIN DAH YUNG (OUR HOME) CENTER
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2021 WITH
COMPARATIVE TOTALS FOR 2020

	2021							2020				
	Program Services						Support Services					
	Youth Programs			Family Programs			Total Program Services	Management & General	Fund- raising	Total Support Services	Total All Services	Total All Services
Emergency Shelter	Mino Oski	Prevention/ Intervention	Youth Lodge	Family Support Services	Counseling & Support							
Salaries	\$ 421,235	\$ 409,859	\$ 197,286	\$ 319,072	\$ 279,082	\$ 96,072	\$ 1,722,606	\$ 225,482	\$ 117,168	\$ 342,650	\$ 2,065,256	\$ 1,844,952
Employee Benefits	27,241	26,526	12,528	20,443	18,017	6,166	110,921	24,295	7,187	31,482	142,403	119,878
Payroll Taxes	39,979	38,789	18,798	30,416	26,462	9,157	163,601	20,998	11,098	32,096	195,697	206,344
Total Personnel Expense	488,455	475,174	228,612	369,931	323,561	111,395	1,997,128	270,775	135,453	406,228	2,403,356	2,171,174
Consulting/Professional Fees	26,949	26,797	37,597	19,955	42,869	4,999	159,166	29,547	138,032	167,579	326,745	305,747
Legal and Accounting	-	-	-	-	-	-	-	271,681	-	271,681	271,681	298,500
Client Services	14,694	137,236	38	1,942	44,886	29,744	228,540	2,295	-	2,295	230,835	249,888
Building Maintenance	34,794	7,461	-	14,664	9	-	56,928	5,597	-	5,597	62,525	22,610
Dues, Licenses and Fees	9,511	5,270	1,378	9,490	4,273	1,396	31,318	12,652	776	13,428	44,746	27,624
Food	17,052	5,340	2,615	7,110	1,934	1,309	35,360	4,694	-	4,694	40,054	21,857
Insurance	1,000	-	1,932	-	-	-	2,932	32,556	-	32,556	35,488	20,094
Instructional/Other Supplies	743	15,405	3,092	2,585	1,225	1,707	24,757	3,517	-	3,517	28,274	15,816
Recreation Costs	1,695	125	17,196	1,380	1,791	2,953	25,140	1,032	-	1,032	26,172	51,572
Equipment Rental and Maintenance	7,858	7,022	1,098	36	3,451	-	19,465	6,143	-	6,143	25,608	31,641
Telephone	4,427	8,443	570	3,869	1,044	-	18,353	6,074	-	6,074	24,427	18,694
Utilities	14,036	150	-	7,561	108	-	21,855	-	-	-	21,855	20,777
Transportation - Staff	1,623	316	5,640	1,284	3,179	7,569	19,611	68	-	68	19,679	16,373
Office Supplies	359	4,330	236	515	159	-	5,599	6,161	1,501	7,662	13,261	10,567
Fundraising Events	-	-	5,900	-	-	-	5,900	-	-	-	5,900	21,659
Postage	538	1,790	12	11	15	-	2,366	1,880	-	1,880	4,246	5,245
Miscellaneous	-	-	-	-	-	-	-	3,993	-	3,993	3,993	8,510
Development - Staff	579	366	593	100	571	-	2,209	1,575	115	1,690	3,899	7,591
Printing	455	32	300	190	-	195	1,172	1,404	478	1,882	3,054	4,721
Depreciation	-	-	-	9,816	-	-	9,816	69,796	-	69,796	79,612	85,480
Total	\$ 624,768	\$ 695,257	\$ 306,809	\$ 450,439	\$ 429,075	\$ 161,267	\$ 2,667,615	\$ 731,440	\$ 276,355	\$ 1,007,795	\$ 3,675,410	\$ 3,416,140

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, 2020

	Program Services						Support Services				
	Youth Programs			Family Programs			Total Program Services	Management & General	Fund- raising	Total Support Services	Total All Services
Emergency Shelter	Mino Oski	Prevention/ Intervention	Youth Lodge	Family Support Services	Counseling & Support	Management & General					
Salaries	\$ 331,612	\$ 424,509	\$ 187,109	\$ 337,938	\$ 252,894	\$ 51,399	\$ 1,585,461	\$ 124,289	\$ 135,202	\$ 259,491	\$ 1,844,952
Employee Benefits	20,768	24,828	10,492	18,737	16,146	2,749	93,720	17,667	8,491	\$ 26,158	119,878
Payroll Taxes	33,382	39,483	15,511	31,147	23,458	4,368	147,349	46,733	12,262	\$ 58,995	206,344
Total Personnel Expense	385,762	488,820	213,112	387,822	292,498	58,516	1,826,530	188,689	155,955	344,644	2,171,174
Consulting/Professional Fees	23,938	33,205	26,715	26,971	14,561	3,065	128,455	24,676	152,616	177,292	305,747
Client Services	9,311	275,012	30	3,803	9,187	-	297,343	1,157	-	1,157	298,500
Legal and Accounting	-	4,400	-	-	28,027	-	32,427	217,461	-	217,461	249,888
Fundraising Events	-	-	7,250	-	-	-	7,250	15,360	-	15,360	22,610
Food	13,501	3,188	2,105	5,143	507	-	24,444	3,180	-	3,180	27,624
Telephone	2,749	8,050	1,122	3,551	1,544	-	17,016	4,841	-	4,841	21,857
Dues, Licenses and Fees	1,822	203	24	4,980	293	-	7,322	9,969	2,803	12,772	20,094
Miscellaneous	-	-	300	-	13,414	-	13,714	101	2,001	2,102	15,816
Building Maintenance	25,878	5,053	140	13,580	-	-	44,651	6,921	-	6,921	51,572
Insurance	1,000	5,827	1,197	-	-	-	8,024	23,617	-	23,617	31,641
Utilities	11,257	-	-	6,229	-	-	17,486	1,208	-	1,208	18,694
Equipment Rental and Maintenance	4,557	7,464	683	916	4,933	821	19,374	1,403	-	1,403	20,777
Instructional/Other Supplies	2,487	7,173	41	5,137	316	-	15,154	1,164	55	1,219	16,373
Transportation - Staff	2,534	935	1,245	1,919	3,083	243	9,959	608	-	608	10,567
Recreation Costs	4,116	641	13,151	2,488	736	-	21,132	527	-	527	21,659
Postage	1,395	2,012	-	11	-	-	3,418	1,827	-	1,827	5,245
Office Supplies	950	2,793	825	315	97	137	5,117	3,110	283	3,393	8,510
Development - Staff	1,395	-	3,315	1,593	1,752	-	8,055	(464)	-	(464)	7,591
Printing	663	713	150	444	-	42	2,012	2,462	247	2,709	4,721
Depreciation	13,204	21,155	6,966	11,851	9,520	1,693	64,389	13,033	8,058	21,091	85,480
Total	\$ 506,519	\$ 866,644	\$ 278,371	\$ 476,753	\$ 380,468	\$ 64,517	\$ 2,573,272	\$ 520,850	\$ 322,018	\$ 842,868	\$ 3,416,140

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, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash	\$ 2,097,679	\$ 1,041,958
Accounts Receivable	335,340	431,893
Investments	-	26,752
Contributions Receivable - Current	599,350	351,850
Prepaid Expenses	<u>14,140</u>	<u>20,596</u>
Total Current Assets	3,046,509	1,873,049
Contributions Receivable	-	20,000
Partnership Investment	140,000	140,000
Property and Equipment - Net	<u>500,977</u>	<u>560,523</u>
 TOTAL ASSETS	 <u>\$ 3,687,486</u>	 <u>\$ 2,593,572</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 105,794	\$ 108,517
Accrued Payroll Liabilities	164,113	183,762
Accrued Expenses	<u>17,250</u>	<u>15,000</u>
Total Current Liabilities	287,157	307,279
Note Payable	<u>47,500</u>	<u>47,500</u>
Total Liabilities	334,657	354,779
Net Assets:		
Without Donor Restrictions:		
Board Designated	125,000	125,000
Undesignated	<u>1,885,536</u>	<u>1,398,185</u>
Total Without Donor Restrictions	2,010,536	1,523,185
With Donor Restrictions	<u>1,342,293</u>	<u>715,608</u>
Total Net Assets	<u>3,352,829</u>	<u>2,238,793</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,687,486</u>	 <u>\$ 2,593,572</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, 2021 AND 2020

	2021	2020
<u>Increase (Decrease) in Cash</u>		
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 1,114,036	\$ 290,126
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	79,612	85,480
Donated Investments	(27,210)	(26,620)
Contributions Receivable	20,000	135,000
Decreases (Increases) in Current Assets:		
Accounts Receivable	96,553	(96,016)
Contributions Receivable	(247,500)	211,000
Prepaid Expenses	6,456	(4,137)
Increases (Decreases) in Current Liabilities:		
Accounts Payable	(2,723)	100,523
Accrued Payroll Liabilities	(19,649)	105,708
Accrued Expenses	2,250	-
Refundable Advance	-	(25,493)
Net Cash Provided by Operating Activities:	1,021,825	775,571
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(20,066)	(68,101)
Proceeds from Sale of Investments	53,962	5,871
Net Cash Provided (Used) by Investing Activities:	33,896	(62,230)
Cash Flows from Financing Activities:		
None	-	-
Net Increase in Cash	1,055,721	713,341
Cash - Beginning of Year	1,041,958	328,617
Cash - End of Year	\$ 2,097,679	\$ 1,041,958

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, 2021 AND 2020

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.

Mino Oski Ain Dah Yung – Meaning “Our Good New Home” in Ojibwe, Mino Oski Ain Dah Yung is a 42-unit permanent supportive housing project for American Indian youth ages 18 to 24. Opened in November 2019, Mino Oski Ain Dah Yung offers young adults who have experienced homelessness their own efficiency apartment with a complete suite of culturally responsive on-site services.

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.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

Organizational Purpose (continued)

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.

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.

Net Assets

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 available for use in general operations and not subject to donor-or grantor-imposed restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor- or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions 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 ends, or a purpose 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.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

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.

Promises-To-Give (Contributions 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.

Revenue and Revenue Recognition

The Organization recognizes program service fee revenue at a point in time when the performance obligations of providing the services are met.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition (continued)

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received a PPP loan in the year ended December 31, 2020 and recorded them as a conditional grants. The Organization met the conditions of the grant and the amount is included as part of the government grants and contracts.

Unemployment Cost

Prior to January 2020, the Organization has elected to self insure its unemployment cost by reimbursing the State of Minnesota for any unemployment benefits paid to its former employees. Beginning in 2020, the Organization participates in the State of Minnesota's Unemployment program and pays into the plan as required.

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.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

Reclassifications

Certain amounts in prior year financial statements have been reclassified to conform with the presentation in the current year financial statements.

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the financial statements through July 18, 2022, which is the date financial statements were available to be issued.

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, 2021 and 2020, the Organization held funds at a local financial institution in excess of federally insured limits. Although the amounts on deposit exceed the federally insured limit, the Organization has not experienced any losses.

3. Uncertainties and Contingencies

The COVID-19 outbreak in the United States has caused business disruption through both mandated and voluntary suspension of operations. There are still uncertainties if there will be future disruptions due to additional outbreaks. Therefore, the Organization expects this matter may impact its operating results, but reasonable estimates cannot be made at this time.

4. Contributions 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>2021</u>	<u>2020</u>
2021	\$ -	\$ 351,850
2022	599,350	20,000
Total Grants and Pledges Receivable	<u>\$ 599,350</u>	<u>\$ 371,850</u>

All contributions receivable are considered collectable.

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5. Investments

The Organization held the following investments as of:

	December 31,			
	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Marketable Equity Securities	\$ -	\$ -	\$ 26,620	\$ 26,752

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, 2021 and 2020. This investment is tested annually for impairment.

6. 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, 2021:

	Level 1	Level 2	Level 3	Total
None	\$ -	\$ -	\$ -	\$ -

The following is a summary of the inputs used to determine the fair value of the investments at December 31, 2020:

	Level 1	Level 2	Level 3	Total
Marketable Equity Securities	\$ 26,752	\$ -	\$ -	\$ 26,752

7. Board-Designated Net Assets

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

	December 31,	
	2021	2020
Board Designated Reserve	\$ 125,000	\$ 125,000

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8. Property and Equipment

The Organization owned the following as of:

	<u>December 31,</u>		<u>Estimated Useful Lives</u>
	<u>2021</u>	<u>2020</u>	
Land	\$ 68,000	\$ 68,000	
Buildings and Improvements	1,289,490	1,285,991	30 years
Furniture and Equipment	300,185	283,619	2-10 years
Vehicles	<u>61,247</u>	<u>61,247</u>	3-5 years
	1,718,922	1,698,857	
Less Accumulated Depreciation	<u>1,217,945</u>	<u>1,138,334</u>	
	<u>\$ 500,977</u>	<u>\$ 560,523</u>	

Depreciation expense of \$79,612 and \$85,480 was recorded for the years ended December 31, 2021 and 2020, respectively.

9. Notes Payable

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

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
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.	<u>23,750</u>	<u>23,750</u>
	47,500	47,500
Less Portion Due Within One (1) Year	-	-
Long-term Portion	<u>\$ 47,500</u>	<u>\$ 47,500</u>

Principal payments required are as follows:

<u>Due in the Year Ending December 31,</u>	
2022	\$ -
2023	-
2024	-
2025	-
2026	-
2027 and beyond	<u>47,500</u>
Total	<u>\$ 47,500</u>

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10. Net Assets with Donor Restrictions

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

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Housing Stability	\$ 255,381	\$ 69,375
Family Advocacy	250,000	-
Pay Equity	200,000	-
Kinship	149,302	-
Mino Capacity Building	133,843	335,631
Sponsored Units	124,560	178,488
Youth Advisory Council	62,461	-
Digital Equity	52,580	-
Youth Entrepreneurship	27,294	10,000
Others	26,872	-
Rental Assistance	-	96,301
Capacity Building – Website	-	25,813
Subject to passage of time:		
Future Years General Operations	60,000	-
Total Net Assets with Donor Restrictions	<u>\$ 1,342,293</u>	<u>\$ 715,608</u>

11. Lease Commitments

Rental commitments under noncancelable leases for office equipment in effect at December 31, 2021, total \$21,550. The future annual rental commitments are as follows:

<u>Due in the Year Ending December 31,</u>	
2022	\$ 8,849
2023	8,849
2024	<u>3,852</u>
	<u>\$ 21,550</u>

Rental expense was \$8,849 and \$9,272 for the years ended December 31, 2021 and 2020, respectively.

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12. Liquidity and Availability

The following represents the Organization's financial assets as of:

	December 31,	
	2021	2020
Current Financial Assets:		
Cash	\$ 2,097,679	\$ 1,041,958
Investments	-	26,752
Accounts Receivable	335,340	431,893
Contributions Receivable	<u>599,350</u>	<u>351,850</u>
	<u>\$ 3,032,369</u>	<u>\$ 1,852,453</u>
Less assets not available to be used within one year:		
Net Assets with Donor Restrictions	1,342,293	715,608
Net Assets with Restrictions to be met within one year	(1,256,912)	(695,608)
Board-Designated Net Assets	<u>125,000</u>	<u>125,000</u>
Total assets not available to be used within one year	<u>210,381</u>	<u>145,000</u>
Financial assets available for general expenditures within one year	<u>\$ 2,821,988</u>	<u>\$ 1,707,453</u>

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.