

Ain Dah Yung (Our Home) Center

St. Paul, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
December 31, 2024 and 2023



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, 2024 and 2023, 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, 2024 and 2023, 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.

Capante Ernst and Ait, Ltd.

Certified Public Accountants

Minneapolis, Minnesota
May 19, 2025

AIN DAH YUNG (OUR HOME) CENTER
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions and Grants	\$ 369,043	\$ 916,704	\$ 1,285,747	\$ 363,570	\$ 1,318,428	\$ 1,681,998
Government Grants	2,500,332	-	2,500,332	1,978,617	1,500	1,980,117
Program Service Fees	168,137	-	168,137	244,236	-	244,236
Other Income	94,443	-	94,443	32,189	-	32,189
Investment Income	13,174	-	13,174	6,620	-	6,620
Net Assets Released from Restrictions:						
Satisfaction of Purpose Restrictions	535,817	(535,817)	-	842,264	(842,264)	-
Satisfaction of Time Restrictions	487,373	(487,373)	-	386,411	(386,411)	-
Total Support and Revenue	4,168,319	(106,486)	4,061,833	3,853,907	91,253	3,945,160
Expense:						
Program Services:						
Youth Programs:						
Emergency Shelter	641,930	-	641,930	767,271	-	767,271
Mino Oski	552,669	-	552,669	536,952	-	536,952
Prevention/Intervention	214,782	-	214,782	408,712	-	408,712
Youth Lodge	441,724	-	441,724	472,010	-	472,010
Family Programs:						
Family Support Services	597,435	-	597,435	608,109	-	608,109
Counseling & Support	220,342	-	220,342	188,643	-	188,643
Health & Wellness	319,286	-	319,286	-	-	-
Total Program Services	2,988,168	-	2,988,168	2,981,697	-	2,981,697
Support Services:						
Management and General						
Fundraising	965,652	-	965,652	753,046	-	753,046
Total Support Services	248,176	-	248,176	236,456	-	236,456
Total Expense	1,213,828	-	1,213,828	989,502	-	989,502
	4,201,996	-	4,201,996	3,971,199	-	3,971,199
Change in Net Assets	(33,677)	(106,486)	(140,163)	(117,292)	91,253	(26,039)
Net Assets - Beginning of Year	2,109,346	1,298,801	3,408,147	2,226,638	1,207,548	3,434,186
Net Assets - End of Year	\$ 2,075,669	\$ 1,192,315	\$ 3,267,984	\$ 2,109,346	\$ 1,298,801	\$ 3,408,147

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

EXHIBIT B

**AIN DAH YUNG (OUR HOME) CENTER
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2024 WITH
COMPARATIVE TOTALS FOR 2023**

	2024										2023		
	Program Services					Support Services							
	Youth Programs			Family Programs		Total							
	Emergency Shelter	Mino Oski	Prevention/ Intervention	Youth Lodge	Family Support Services	Counseling & Support	Health & Wellness	Program Services	Management & General	Fund-raising	Total Support Services	Total All Services	Total All Services
Salaries	\$ 424,246	\$ 296,517	\$ 99,852	\$ 295,634	\$ 308,118	\$ 128,520	\$ 202,290	\$ 1,755,177	\$ 285,844	\$ 198,266	\$ 484,110	\$ 2,239,287	\$ 2,206,379
Employee Benefits	31,364	22,042	7,399	21,818	22,762	9,501	14,824	129,710	28,754	14,661	43,415	173,125	174,452
Payroll Taxes	45,170	31,780	10,517	31,375	32,766	13,636	21,331	186,575	32,430	21,093	53,523	240,098	224,118
Total Personnel Expense	500,780	350,339	117,768	348,827	363,646	151,657	238,445	2,071,462	347,028	234,020	581,048	2,652,510	2,604,949
Consulting/Professional Fees	23,784	18,571	26,325	26,281	87,808	5,612	25,665	214,046	188,701	14,156	202,857	416,903	285,825
Client Services	14,692	128,236	351	3,969	81,905	13,134	491	242,778	(513)	-	(513)	242,265	212,638
Legal and Accounting	-	-	-	-	-	-	-	-	232,988	-	232,988	232,988	209,808
Events	3,797	6,069	46,990	-	3,394	10,000	31,364	101,614	-	-	-	101,614	54,017
Food	18,786	6,583	9,196	11,537	13,763	10,249	1,415	71,529	1,121	-	1,121	72,650	62,751
Instructional/Other Supplies	4,806	13,090	7,054	574	15,111	9,443	9,124	59,202	486	-	486	59,688	68,988
Building Maintenance	22,219	7,448	-	14,959	-	-	-	44,626	3,394	-	3,394	48,020	51,337
Insurance	-	-	-	-	-	-	-	-	45,814	-	45,814	45,814	42,836
Development - Staff	96	-	1,502	330	5,904	15,628	6,934	30,394	12,155	-	12,155	42,549	66,715
Dues, Licenses and Fees	10,568	3,676	996	5,217	3,085	1,079	209	24,830	15,382	-	15,382	40,212	38,690
Telephone	5,896	11,924	-	5,392	-	-	-	23,212	14,390	-	14,390	37,602	38,587
Utilities	21,295	-	-	7,754	-	-	-	29,049	-	-	-	29,049	34,132
Recreation Costs	1,973	430	3,983	5,535	12,872	113	1,260	26,166	2,758	-	2,758	28,924	30,838
Transportation - Staff	2,774	479	330	2,145	8,573	3,207	4,339	21,847	1,590	-	1,590	23,437	42,001
Equipment Rental and Maintenance	7,946	4,840	287	721	1,369	220	-	15,383	2,365	-	2,365	17,748	24,857
Office Supplies	630	520	-	253	5	-	40	1,448	11,107	-	11,107	12,555	9,880
Printing	-	464	-	-	-	-	-	464	3,395	-	3,395	3,859	4,002
Miscellaneous	73	-	-	-	-	-	-	73	3,739	-	3,739	3,812	897
Postage	1,815	-	-	-	-	-	-	1,815	181	-	181	1,996	3,772
Depreciation	-	-	-	8,230	-	-	-	8,230	79,571	-	79,571	87,801	83,679
Total	\$ 641,930	\$ 552,669	\$ 214,782	\$ 441,724	\$ 597,435	\$ 220,342	\$ 319,286	\$ 2,988,168	\$ 965,652	\$ 248,176	\$ 1,213,828	\$ 4,201,996	\$ 3,971,199

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, 2023

	Program Services						Support Services				
	Youth Programs			Family Programs			Total		Total		
	Emergency Shelter	Mino Oski	Prevention/ Intervention	Youth Lodge	Family Support Services	Counseling & Support	Program Services	Management & General	Fund-raising	Support Services	All Services
Salaries	\$ 519,601	\$ 237,126	\$ 225,359	\$ 326,485	\$ 393,696	\$ 92,886	\$ 1,795,153	\$ 218,482	\$ 192,744	\$ 411,226	\$ 2,206,379
Employee Benefits	38,418	18,130	16,333	24,038	29,200	6,902	133,021	27,276	14,155	41,431	174,452
Payroll Taxes	52,339	23,892	22,700	32,962	39,610	9,363	180,866	23,856	19,396	43,252	224,118
Total Personnel Expense	610,358	279,148	264,392	383,485	462,506	109,151	2,109,040	269,614	226,295	495,909	2,604,949
Consulting/Professional Fees	30,030	59,574	45,371	19,480	49,512	9,370	213,337	62,615	9,873	72,488	285,825
Client Services	15,273	122,087	5,905	2,494	59,862	6,916	212,537	101	-	101	212,638
Legal and Accounting	-	-	-	-	-	-	-	209,808	-	209,808	209,808
Events	7,223	15,483	16,225	5,245	-	9,830	54,006	11	-	11	54,017
Food	16,746	7,157	10,295	10,123	9,966	5,326	59,613	3,138	-	3,138	62,751
Instructional/Other Supplies	4,322	18,761	17,737	4,395	6,733	11,878	63,826	5,162	-	5,162	68,988
Building Maintenance	24,569	6,128	-	13,620	-	-	44,317	7,020	-	7,020	51,337
Insurance	-	-	(801)	-	-	-	(801)	43,637	-	43,637	42,836
Development - Staff	974	3,487	8,647	3,103	133	31,841	48,185	18,530	-	18,530	66,715
Dues, Licenses and Fees	10,225	4,322	1,009	6,597	3,599	971	26,723	11,967	-	11,967	38,690
Telephone	6,806	11,733	495	6,023	261	-	25,318	13,269	-	13,269	38,587
Utilities	24,255	-	-	9,877	-	-	34,132	-	-	-	34,132
Recreation Costs	2,796	1,231	20,447	3,220	800	944	29,438	1,400	-	1,400	30,838
Transportation - Staff	3,888	225	18,123	3,737	12,600	1,935	40,508	1,268	225	1,493	42,001
Equipment Rental and Maintenance	7,519	5,833	977	-	1,692	-	16,021	8,836	-	8,836	24,857
Office Supplies	636	369	40	611	445	481	2,582	7,298	-	7,298	9,880
Printing	-	-	(150)	-	-	-	(150)	4,152	-	4,152	4,002
Miscellaneous	150	-	-	-	-	-	150	684	63	747	897
Postage	1,501	1,414	-	-	-	-	2,915	857	-	857	3,772
Depreciation	-	-	-	-	-	-	-	83,679	-	83,679	83,679
Total	\$ 767,271	\$ 536,952	\$ 408,712	\$ 472,010	\$ 608,109	\$ 188,643	\$ 2,981,697	\$ 753,046	\$ 236,456	\$ 989,502	\$ 3,971,199

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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 2,085,279	\$ 2,239,702
Investments	302,593	24,928
Accounts Receivable	383,439	402,216
Contributions Receivable	189,900	418,954
Prepaid Expenses	15,538	16,246
Total Current Assets	<u>2,976,749</u>	<u>3,102,046</u>
Right-of-Use Asset	41,314	-
Partnership Investment	140,000	140,000
Property and Equipment - Net	<u>411,932</u>	<u>454,290</u>
 TOTAL ASSETS	 <u>\$ 3,569,995</u>	 <u>\$ 3,696,336</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 81,559	\$ 51,875
Accrued Payroll Liabilities	98,829	162,340
Accrued Expenses	32,809	26,474
Operating Lease Liability	7,879	-
Total Current Liabilities	<u>221,076</u>	<u>240,689</u>
Operating Lease Liability	33,435	-
Notes Payable	<u>47,500</u>	<u>47,500</u>
Total Liabilities	<u>302,011</u>	<u>288,189</u>
Net Assets:		
Without Donor Restrictions:		
Board Designated	125,000	125,000
Undesignated	1,950,669	1,984,346
Total Without Donor Restrictions	<u>2,075,669</u>	<u>2,109,346</u>
With Donor Restrictions	<u>1,192,315</u>	<u>1,298,801</u>
Total Net Assets	<u>3,267,984</u>	<u>3,408,147</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,569,995</u>	 <u>\$ 3,696,336</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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>Increase (Decrease) in Cash</u>		
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (140,163)	\$ (26,039)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	87,801	83,679
Loss on Sale of Property	2,925	-
Donated Investments	(2,043)	(23,384)
Unrealized (Gain) Loss on Investments	2,030	(1,229)
Decreases (Increases) in Operating Assets:		
Accounts Receivable	18,777	(156,456)
Contributions Receivable	229,054	(319,645)
Prepaid Expenses	708	(2,793)
Increases (Decreases) in Operating Liabilities:		
Accounts Payable	29,684	14,079
Accrued Payroll Liabilities	(63,511)	(29,933)
Accrued Expenses	6,335	7,139
Net Cash Provided (Used) by Operating Activities	<u>171,597</u>	<u>(454,582)</u>
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(48,493)	(79,014)
Purchase of Investments	(330,518)	(25,713)
Proceeds from Sale of Property	125	-
Proceeds from Sale of Investments	52,866	51,421
Net Cash (Used) by Investing Activities:	<u>(326,020)</u>	<u>(53,306)</u>
Cash Flows from Financing Activities:		
None	<u>-</u>	<u>-</u>
Net (Decrease) in Cash	(154,423)	(507,888)
Cash - Beginning of Year	<u>2,239,702</u>	<u>2,747,590</u>
Cash - End of Year	<u>\$ 2,085,279</u>	<u>\$ 2,239,702</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, 2024 AND 2023

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, 2024 AND 2023

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.

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.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are generally uncollateralized and the Organization does not charge interest on accounts receivable balances. Allowance for credit losses on accounts receivable is determined based on historical experience, an assessment on economic conditions, and review of subsequent collections. The Organization reviews accounts receivable balances on a periodic basis and writes off delinquent receivables against the allowance when they are considered uncollectible. No allowance for credit losses 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.

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.

The Organization records contributions of nonfinancial assets at fair market value at date of donation. The Organization's policy related to contributions of nonfinancial assets is to utilize the assets given to carry out the mission of the organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist.

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. No amounts have been received in advance under government grants. The Organization was awarded cost-reimbursable grants of \$3,478,869 and \$3,787,036 that have not been recognized at December 31, 2024 and 2023 because qualifying expenditures have not yet been incurred.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

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.

Functional Allocation of Expense

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expense present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Salaries and related expenses are allocated on time spent or estimated time spent. 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 management's best estimates of employees' time and efforts.

Income Tax

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. 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.

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1. Summary of Significant Accounting Policies (continued)

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the financial statements through May 19, 2025, 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, 2024 and 2023, 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. Contributions Receivable

The balances of contributions receivable are due as follows:

<u>Due in the Year Ending December 31,</u>	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
2024	\$ -	\$ 418,954
2025	189,900	-
Total Contributions Receivable	<u>\$ 189,900</u>	<u>\$ 418,954</u>

All contributions receivable are considered collectable.

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4. Investments

The Organization held the following investments as of:

	December 31,			
	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Marketable Equity Securities	\$ -	\$ -	\$ 23,387	\$ 24,928
Money Market Funds	7	7	-	-
Certificates of Deposit	302,586	302,586	-	-
	<u>\$ 302,593</u>	<u>\$ 302,593</u>	<u>\$ 23,387</u>	<u>\$ 24,928</u>

Investment income was as follows as of:

	December 31,	
	2024	2023
Interest and Dividends	\$ 15,204	\$ 5,279
Unrealized and Realized Gain (Loss)	(2,030)	1,341
	<u>\$ 13,174</u>	<u>\$ 6,620</u>

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, 2024 and 2023. This investment is tested annually for impairment.

5. Fair Value

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. A three-tier hierarchy of inputs establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed as follows:

- 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, 2024:

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 7	\$ -	\$ -	\$ 7
Certificates of Deposit	-	302,586	-	302,586
	<u>\$ 7</u>	<u>\$ 302,586</u>	<u>\$ -</u>	<u>\$ 302,593</u>

The following is a summary of the inputs used to determine the fair value of the investments at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Marketable Equity Securities	\$ 24,928	\$ -	\$ -	\$ 24,928

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6. Board-Designated Net Assets

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

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Board Designated Reserve	<u>\$ 125,000</u>	<u>\$ 125,000</u>

7. Net Assets with Donor Restrictions

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

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Capital Campaign	\$ 330,879	\$ 214,369
Others	188,632	45,781
Kinship	110,886	192,172
Sponsored Units	100,000	53,823
Safe Harbor	97,178	98,926
MOADY Housing Stability	66,270	278,119
Pow-Wow	32,447	18,775
Youth Advisory Council	19,856	29,489
Digital Equity	12,470	17,989
Subject to passage of time:		
Future Years General Operations	<u>233,697</u>	<u>349,358</u>
Total Net Assets with Donor Restrictions	<u>\$ 1,192,315</u>	<u>\$ 1,298,801</u>

8. Property and Equipment

The Organization owned the following as of:

	<u>December 31,</u>		
	<u>2024</u>	<u>2023</u>	<u>Estimated Useful Lives</u>
Land	\$ 68,000	\$ 68,000	
Buildings and Improvements	1,298,628	1,298,628	30 years
Furniture and Equipment	269,706	351,890	2-10 years
Vehicles	<u>119,920</u>	<u>92,503</u>	3-5 years
	1,756,254	1,811,021	
Less Accumulated Depreciation	<u>1,344,322</u>	<u>1,356,731</u>	
	<u>\$ 411,932</u>	<u>\$ 454,290</u>	

Depreciation expense of \$87,801 and \$83,679 was recorded for the years ended December 31, 2024 and 2023, respectively.

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9. Liquidity and Availability

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

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Financial Assets:		
Cash	\$ 2,085,279	\$ 2,239,702
Investments	302,593	24,928
Accounts Receivable	383,439	402,216
Contributions Receivable	189,900	418,954
	<u>\$ 2,961,211</u>	<u>\$ 3,085,800</u>
Less assets not available to be used within one year:		
Net Assets with Donor Restrictions	1,192,315	1,298,801
Net Assets with Restrictions to be met within one year	(1,192,315)	(1,298,801)
Board-Designated Net Assets	<u>125,000</u>	<u>125,000</u>
Total assets not available to be used within one year	<u>125,000</u>	<u>125,000</u>
Financial assets available for general expenditures within one year	<u>\$ 2,836,211</u>	<u>\$ 2,960,800</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.

10. Notes Payable

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

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</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>
	<u>47,500</u>	<u>47,500</u>
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>	
2025	\$ -
2026	-
2027	<u>47,500</u>
Total	<u>\$ 47,500</u>

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11. Operating Leases

The Organization has operating leases for office equipment. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Operating Leases:		
Right of Use Asset	\$ 41,314	\$ -
Operating Lease Liabilities - Current	\$ 7,879	\$ -
Operating Lease Liabilities - Noncurrent	33,435	-
Total Operating Lease Liabilities	<u>\$ 41,314</u>	<u>\$ -</u>

The following summarizes the weighted average remaining lease term and discount rate as of:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term:		
Operating Leases	4.83 years	None
Weighted Average Discount Rate:		
Operating Leases	4.17%	None

Maturities of lease liabilities as of December 31, 2024 were as follows:

Year Ending June 30:	
2025	\$ 9,420
2026	9,420
2027	9,420
2028	9,420
2028	<u>7,850</u>
Total Lease Payments	45,530
Less Present Value Discount	<u>4,216</u>
Present Value of Lease Liabilities	<u>\$ 41,314</u>

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11. Operating Leases (continued)

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Operating lease expense included in Equipment Rental	\$ <u>1,282</u>	\$ <u>-</u>

The following summarizes cash flow information related to leases for the year ended:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of Lease liabilities:		
Operating cash flows from operating leases	\$ <u>1,570</u>	\$ <u>-</u>

There were lease assets obtained in exchange for operating lease obligations of \$47,100 and \$-0- in the years ending December 31, 2024 and 2023, respectively.