

Ain Dah Yung (Our Home) Center

St. Paul, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
December 31, 2022 and 2021



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, 2022 and 2021, 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, 2022 and 2021, 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.

Capster Ernst and Ait, Ptd.

Certified Public Accountants

Minneapolis, Minnesota
May 22, 2023

EXHIBIT B

AIN DAH YUNG (OUR HOME) CENTER
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2022 WITH
COMPARATIVE TOTALS FOR 2021

	2022										2021		
	Program Services					Family Programs					Support Services		
	Youth Programs		Prevention/ Intervention			Youth Lodge	Family Support Services		Counseling & Support	Total Program Services	Management & General	Fund-raising	Total Support Services
Emergency Shelter	\$ 510,894	\$ 270,343	\$ 208,779	\$ 339,634	\$ 417,243	\$ 78,981	\$ 1,825,874	\$ 248,881	\$ 181,696	\$ 430,577	\$ 2,256,451	\$ 2,065,256	
Salaries	32,354	17,355	13,237	21,525	26,510	4,920	115,901	26,547	11,540	38,087	153,988	142,403	
Employee Benefits	49,093	27,172	20,095	32,737	40,162	7,572	176,831	44,268	17,457	61,725	238,556	195,697	
Payroll Taxes	592,341	314,870	242,111	393,896	483,915	91,473	2,118,606	319,696	210,693	530,389	2,648,995	2,403,356	
Total Personnel Expense	12,197	139,850	1,392	2,902	88,710	6,917	251,968	7,416	-	7,416	259,384	230,835	
Client Services	29,627	48,749	38,786	19,929	42,470	5,081	184,642	46,882	9,445	56,327	240,969	326,745	
Consulting/Professional Fees	-	-	-	-	-	-	-	209,649	-	209,649	-	271,681	
Legal and Accounting	25,467	8,174	-	13,619	-	-	47,260	9,713	-	9,713	56,973	62,525	
Building Maintenance	2,110	15,670	7,022	3,882	9,554	9,366	47,604	7,259	-	7,259	54,863	28,274	
Instructional/Other Supplies	17,188	6,776	11,443	8,411	5,932	1,801	51,551	3,064	-	3,064	54,615	40,054	
Food	3,920	15,684	-	29	3,428	1,820	24,881	17,999	-	17,999	42,880	25,608	
Equipment Rental and Maintenance	11,217	3,857	1,045	8,223	3,125	985	28,452	13,260	-	13,260	41,712	44,746	
Dues, Licenses and Fees	-	-	1,602	-	-	-	1,602	39,151	-	39,151	40,753	35,488	
Insurance	6,416	9,198	-	4,711	1,044	-	21,369	14,159	-	14,159	35,528	24,427	
Telephone	-	-	9,295	-	-	3,600	12,895	-	19,170	19,170	32,065	5,900	
Events	20,569	-	-	7,870	-	-	28,439	-	-	-	28,439	21,855	
Utilities	2,220	-	-	787	-	-	20,870	1,629	-	1,629	22,499	26,172	
Recreation Costs	231	736	8,341	1,274	7,226	3,793	21,095	509	-	509	21,604	19,679	
Transportation - Staff	1,277	426	11,728	18	956	102	14,507	5,597	-	5,597	20,104	3,899	
Development - Staff	165	1,025	45	859	403	-	2,497	9,493	-	9,493	11,990	13,261	
Office Supplies	445	1,758	19	30	-	-	2,252	2,081	-	2,081	4,333	4,246	
Postage	341	-	300	120	-	-	761	3,558	-	3,558	4,319	3,054	
Printing	-	-	-	-	-	-	-	854	-	854	-	3,993	
Miscellaneous	-	-	-	-	-	-	-	74,208	-	74,208	83,621	79,612	
Depreciation	-	-	-	9,413	-	-	9,413	786,177	-	786,177	239,308	3,916,149	
Total	\$ 725,731	\$ 566,773	\$ 345,814	\$ 475,973	\$ 648,148	\$ 128,225	\$ 2,890,664	\$ 786,177	\$ 239,308	\$ 1,025,485	\$ 3,916,149	\$ 3,675,410	

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, 2021**

	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	Total Program Services								
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				
Employee Benefits	27,241	26,526	12,528	20,443	18,017	6,166	110,921	24,295	7,187	31,482	142,403				
Payroll Taxes	39,979	38,789	18,798	30,416	26,462	9,157	163,601	20,998	11,098	32,096	195,697				
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				
Client Services	14,694	137,236	38	1,942	44,886	29,744	228,540	2,295	-	2,295	230,835				
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				
Legal and Accounting	-	-	-	-	-	-	-	271,681	-	271,681	271,681				
Building Maintenance	34,794	7,461	-	14,664	9	-	56,928	5,597	-	5,597	62,525				
Instructional/Other Supplies	743	15,405	3,092	2,585	1,225	1,707	24,757	3,517	-	3,517	28,274				
Food	17,052	5,340	2,615	7,110	1,934	1,309	35,360	4,694	-	4,694	40,054				
Equipment Rental and Maintenance	7,858	7,022	1,098	36	3,451	-	19,465	6,143	-	6,143	25,608				
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				
Insurance	1,000	-	1,932	-	-	-	2,932	32,556	-	32,556	35,488				
Telephone	4,427	8,443	570	3,869	1,044	-	18,353	6,074	-	6,074	24,427				
Events	-	-	5,900	-	-	-	5,900	-	-	-	5,900				
Utilities	14,036	150	-	7,561	108	-	21,855	-	-	-	21,855				
Recreation Costs	1,695	125	17,196	1,380	1,791	2,953	25,140	1,032	-	1,032	26,172				
Transportation - Staff	1,623	316	5,640	1,284	3,179	7,569	19,611	68	-	68	19,679				
Development - Staff	579	366	593	100	571	-	2,209	1,575	115	1,690	3,899				
Office Supplies	359	4,330	236	515	159	-	5,599	6,161	1,501	7,662	13,261				
Postage	538	1,790	12	11	15	-	2,366	1,880	-	1,880	4,246				
Printing	455	32	300	190	-	195	1,172	1,404	478	1,882	3,054				
Miscellaneous	-	-	-	-	-	-	-	3,993	-	3,993	3,993				
Depreciation	-	-	-	9,816	-	-	9,816	69,796	-	69,796	79,612				
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				

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, 2022 AND 2021

<u>ASSETS</u>	2022	2021
Current Assets:		
Cash	\$ 2,747,590	\$ 2,097,679
Investments	26,023	-
Accounts Receivable	245,760	335,340
Contributions Receivable - Current	99,309	599,350
Prepaid Expenses	13,453	14,140
Total Current Assets	3,132,135	3,046,509
Partnership Investment	140,000	140,000
Property and Equipment - Net	458,955	500,977
 TOTAL ASSETS	 \$ 3,731,090	 \$ 3,687,486
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 37,796	\$ 105,794
Accrued Payroll Liabilities	192,273	164,113
Accrued Expenses	19,335	17,250
Total Current Liabilities	249,404	287,157
Note Payable	47,500	47,500
Total Liabilities	296,904	334,657
Net Assets:		
Without Donor Restrictions:		
Board Designated	125,000	125,000
Undesignated	2,101,638	1,885,536
Total Without Donor Restrictions	2,226,638	2,010,536
With Donor Restrictions	1,207,548	1,342,293
Total Net Assets	3,434,186	3,352,829
 TOTAL LIABILITIES AND NET ASSETS	 \$ 3,731,090	 \$ 3,687,486

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, 2022 AND 2021

<u>Increase (Decrease) in Cash</u>	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 81,357	\$ 1,114,036
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	83,621	79,612
Donated Property and Equipment	(4,463)	-
Donated Investments	(43,763)	(27,210)
Unrealized (Gain) Loss on Investment	66	-
Contributions Receivable	-	20,000
Decreases (Increases) in Current Assets:		
Accounts Receivable	89,580	96,553
Contributions Receivable	500,041	(247,500)
Prepaid Expenses	687	6,456
Increases (Decreases) in Current Liabilities:		
Accounts Payable	(67,998)	(2,723)
Accrued Payroll Liabilities	28,160	(19,649)
Accrued Expenses	2,085	2,250
Net Cash Provided by Operating Activities:	<u>669,373</u>	<u>1,021,825</u>
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(37,136)	(20,066)
Proceeds from Sale of Investments	17,674	53,962
Net Cash Provided (Used) by Investing Activities:	<u>(19,462)</u>	<u>33,896</u>
Cash Flows from Financing Activities:		
None	<u>-</u>	<u>-</u>
Net Increase in Cash	649,911	1,055,721
Cash - Beginning of Year	<u>2,097,679</u>	<u>1,041,958</u>
Cash - End of Year	<u>\$ 2,747,590</u>	<u>\$ 2,097,679</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, 2022 AND 2021

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, 2022 AND 2021

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, 2022 AND 2021

1. Summary of Significant Accounting Policies (continued)

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.

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. The Organization received a vehicle valued at \$4,463 in the year ended December 31, 2022. The vehicle had no donor restrictions and was utilized in programming.

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 \$1,773,813 and \$2,962,290 that have not been recognized at December 31, 2022 and 2021 because qualifying expenditures have not yet been incurred.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

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).

Reclassifications

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

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, 2022 AND 2021

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, and ROU assets also include prepaid or accrued rent. 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. Management has determined that although the remaining commitments on the equipment leases are more than 12 months, the overall amounts are not significant and will report as short-term leases.

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the financial statements through May 22, 2023, which is the date financial statements were available to be issued.

New Accounting Pronouncements

In 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended December 31, 2022.

The Organization has also adopted Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, as management believes the standards improve the usefulness and understandability of the Organization's financial reporting. The ASU has been applied retrospectively for the periods ended December 31, 2022 and 2021, as required.

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, 2022 and 2021, 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.

AIN DAH YUNG (OUR HOME) CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

3. 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>2022</u>	<u>2021</u>
2022	\$ -	\$ 599,350
2023	99,309	-
Total Grants and Pledges Receivable	<u>\$ 99,309</u>	<u>\$ 599,350</u>

All contributions receivable are considered collectable.

4. Property and Equipment

The Organization owned the following as of:

	<u>December 31,</u>		<u>Estimated Useful Lives</u>
	<u>2022</u>	<u>2021</u>	
Land	\$ 68,000	\$ 68,000	
Buildings and Improvements	1,295,578	1,289,490	30 years
Furniture and Equipment	331,233	300,185	2-10 years
Vehicles	37,196	61,247	3-5 years
	1,732,007	1,718,922	
Less Accumulated Depreciation	<u>1,273,052</u>	<u>1,217,945</u>	
	<u>\$ 458,955</u>	<u>\$ 500,977</u>	

Depreciation expense of \$83,621 and \$79,612 was recorded for the years ended December 31, 2022 and 2021, respectively.

5. Investments

The Organization held the following investments as of:

	<u>December 31,</u>			
	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Marketable Equity Securities	<u>\$ 26,088</u>	<u>\$ 26,023</u>	<u>\$ -</u>	<u>\$ -</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, 2022 and 2021. This investment is tested annually for impairment.

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6. Fair Value

In accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures ("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, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable Equity Securities	\$ 26,023	\$ -	\$ -	\$ 26,023

The following is a summary of the inputs used to determine the fair value of the investments at December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
None	\$ -	\$ -	\$ -	\$ -

7. Short-term Leases

Rental non-cancelable commitments under leases for equipment in effect at December 31, 2022, total \$13,330. The future annual rental commitments are as follows:

Due in the Year After December 31:

2023	\$ 7,895
2024	4,990
2025	<u>445</u>
Total	<u>\$ 13,330</u>

Rental expense was \$13,214 and \$13,095 for the years ended December 31, 2022 and 2021, respectively.

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8. Net Assets with Donor Restrictions

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

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Capital Campaign	\$ 268,742	\$ -
Family Advocacy	124,898	250,000
Pay Equity	100,000	200,000
Safe Harbor	92,243	-
Youth Advisory Council	86,439	62,461
Kinship	80,762	149,302
Sponsored Units	73,977	124,560
Housing Stability	55,113	255,381
Mino Capacity Building	28,055	133,843
Youth Lodge	24,090	-
Digital Equity	14,972	52,580
Others	4,854	26,872
Youth Entrepreneurship	-	27,294
Subject to passage of time:		
Future Years General Operations	<u>253,403</u>	<u>60,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 1,207,548</u>	<u>\$ 1,342,293</u>

9. 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>2022</u>	<u>2021</u>
Board Designated Reserve	<u>\$ 125,000</u>	<u>\$ 125,000</u>

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10. Notes Payable

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

	December 31,	
	2022	2021
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>	
2023	\$ -
2024	-
2025	-
2026	-
2027 and beyond	47,500
Total	\$ 47,500

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11. Liquidity and Availability

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

	December 31,	
	2022	2021
Current Financial Assets:		
Cash	\$ 2,747,590	\$ 2,097,679
Investments	26,023	-
Accounts Receivable	245,760	335,340
Contributions Receivable	<u>99,309</u>	<u>599,350</u>
	<u>\$ 3,118,682</u>	<u>\$ 3,032,369</u>
Less assets not available to be used within one year:		
Net Assets with Donor Restrictions	1,207,548	1,342,293
Net Assets with Restrictions to be met within one year	(1,207,548)	(1,256,912)
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>210,381</u>
Financial assets available for general expenditures within one year	<u>\$ 2,993,682</u>	<u>\$ 2,821,988</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.