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June 26, 2009

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

We have reviewed the audit report prepared by Umbach & Associates, LLP, Independent Public Accountants, for the period July 1, 2006 to June 30, 2007. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Ozanam Family Shelter Corporation, as of June 30, 2007, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

*Financial Statements*

# Ozanam Family Shelter Corporation

June 30, 2007 and 2006

**OZANAM FAMILY SHELTER CORPORATION**

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL SCHEDULES:</b>	
Exhibit A                Statements of Assets, Liabilities, and Net Assets - Cash Basis	2
Exhibit B                Statements of Support, Revenue, and Expenses - Cash Basis	3
Notes to Financial Statements - Cash Basis	4-6

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of assets, liabilities, and net assets - cash basis of Ozanam Family Shelter Corporation (a nonprofit organization), as of June 30, 2007 and 2006, and the related statements of support, revenue, and expenses - cash basis for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Ozanam Family Shelter Corporation, as of June 30, 2007 and 2006, and its support, revenue, and expenses for the years then ended, on the basis of accounting described in Note 1.

*Umbach & Associates, LLP*

Certified Public Accountants  
September 21, 2007

**OZANAM FAMILY SHELTER CORPORATION**  
**Statements of Assets, Liabilities, and Net Assets - Cash Basis**  
**At June 30, 2007 and 2006**

<b>Assets</b>	<u>2007</u>	<u>2006</u>
<b>Current Assets</b>		
Cash and cash equivalents:		
Unrestricted	\$ 61,410	\$ 25,731
Temporarily restricted	<u>500</u>	<u>2,358</u>
	<u>61,910</u>	<u>28,089</u>
<b>Property and Equipment</b>	892,952	890,462
Less accumulated depreciation	<u>(359,535)</u>	<u>(317,337)</u>
	<u>533,417</u>	<u>573,125</u>
<b>Total Assets</b>	<u>\$ 595,327</u>	<u>\$ 601,214</u>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Payroll withholdings	<u>\$ 00</u>	<u>\$ 2,384</u>
<b>Net Assets</b>		
Unrestricted	594,827	596,472
Temporarily restricted	<u>500</u>	<u>2,358</u>
	<u>595,327</u>	<u>598,830</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 595,327</u>	<u>\$ 601,214</u>

**OZANAM FAMILY SHELTER CORPORATION**  
**Statements of Support, Revenue, and Expenses - Cash Basis**  
**For the Years Ended June 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Operating Support and Revenue</b>		
Support:		
Contributions	\$ 100,015	\$ 104,222
Grants - government	107,479	69,133
Grants - other	<u>31,498</u>	<u>15,147</u>
	238,992	188,502
Revenue:		
Interest income	<u>871</u>	<u>829</u>
	<u>239,863</u>	<u>189,331</u>
<b>Operating Expenses</b>		
Gross wages	127,452	131,726
Taxes - payroll	11,338	16,628
Utilities	15,247	16,195
Telephone	2,024	2,264
Insurance	8,797	11,101
Supplies	10,076	11,587
Office supplies	3,080	3,064
Repairs and maintenance	5,516	3,198
Dues and subscriptions	110	10
Travel	00	85
Professional fees	1,822	2,028
Fundraising	11,275	6,153
Miscellaneous	1,512	2,222
Depreciation expense	44,547	44,663
Write-off of fixed assets	<u>570</u>	<u>00</u>
	<u>243,366</u>	<u>250,924</u>
<b>Change in Net Assets</b>	(3,503)	(61,593)
<b>Net Assets - Beginning of Year</b>	<u>598,830</u>	<u>660,423</u>
<b>Net Assets - End of Year</b>	<u>\$ 595,327</u>	<u>\$ 598,830</u>

See notes to the financial statements

**OZANAM FAMILY SHELTER CORPORATION**  
**Notes to Financial Statements - Cash Basis**  
**For The Years Ended June 30, 2007 and 2006**

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

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

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

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

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

**Cash and Cash Equivalents** - The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents.

**Restricted and Unrestricted Revenue and Support** - Information regarding financial position are reported in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. These classes of net assets are based on the existence or absence of externally (donor) imposed restrictions on contributions defined as follows:

**Unrestricted Net Assets**

Contributions without donor-imposed restrictions.

**Temporarily Restricted Net Assets**

Contributions received with either time or purpose restrictions that expire over time or when the purpose has been met.

**Permanently Restricted Net Assets**

Contributions received with donor-imposed restrictions that neither expire by the passage of time nor by meeting a purpose. There are no permanently restricted net assets at June 30, 2007 or 2006.

Temporarily restricted contributions which are expended in the year received are reported as unrestricted contributions.

**OZANAM FAMILY SHELTER CORPORATION**  
**Notes to Financial Statements - Cash Basis**  
**For the Years Ended June 30, 2007 and 2006**

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

**Property, Equipment, and Depreciation** - Property and equipment are stated at cost for purchased assets and at fair value for donated assets. Provisions for depreciation of property and equipment have been computed on the straight-line method over the estimated useful life.

The Organization does not record donated depreciable assets unless the value is readily determinable.

**NOTE 2 – FINANCIAL OPERATIONS:**

The Organization received approximately 45 percent and 37 percent of its operating support from federal and local governments for the years ended June 30, 2007 and 2006, respectively. A significant reduction in the level of this support may have a significant effect on the Corporation's programs and activities.

**NOTE 3 - PROPERTY AND EQUIPMENT:**

Property and equipment at June 30, 2007 and 2006 consisted of the following:

	2007		2006	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 38,000	\$ 00	\$ 38,000	\$ 00
Building	512,589	202,536	510,980	176,205
Equipment	10,667	4,975	8,861	5,414
Furniture and fixtures	5,359	5,059	6,284	5,795
Building improvements	326,337	146,965	326,337	129,923
	<u>\$ 892,952</u>	<u>\$ 359,535</u>	<u>\$ 890,462</u>	<u>\$ 317,337</u>

**NOTE 4 – TEMPORARILY RESTRICTED CASH AND NET ASSETS:**

Temporarily restricted activity during the fiscal year 2007 and 2006 are as follows:

	2007	2006
Temporarily restricted net assets - beginning of year	\$ 2,358	\$ 9,922
Contributions received	500	18,750
Released from restrictions	(2,358)	(26,314)
Temporarily restricted net assets - end of year	<u>\$ 500</u>	<u>\$ 2,358</u>

**OZANAM FAMILY SHELTER CORPORATION**  
**Notes to Financial Statements - Cash Basis**  
**For the Years Ended June 30, 2007 and 2006**

**NOTE 5 - INCOME TAXES:**

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code.

**NOTE 6 - REVENUE:**

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

The Evansville Department of Metropolitan Development (DMD) is on a calendar term. The award amounts for calendar years 2007 and 2006 were \$20,000 and \$25,000, respectively.

The Indiana Department of Education (IDOE) operates on a September 30<sup>th</sup> fiscal year. The award amount is determined monthly by the number of meals the Organization serves to children multiplied by established reimbursement rates.

The Indiana Housing and Community Development Authority (IHCDA) operates on a June 30<sup>th</sup> fiscal year. The award amounts for fiscal years ended June 30, 2007 and 2006 were \$35,294 and \$17,712, respectively. Subsequent to June 30, 2007, the grant agreement was renewed for \$37,394 for fiscal 2008.

Grant revenues are recognized as received by the Organization. Government grant revenue recognized for the years ended June 30, 2007 and 2006 consisted of the following:

	2007	2006
DMD	\$ 27,001	\$ 29,067
IDOE	46,650	22,633
IHCDA	33,828	17,433
	<u>\$ 107,479</u>	<u>\$ 69,133</u>