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January 13, 2011

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, 2007 to June 30, 2008. 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, 2008, 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, 2008 and 2007

OZANAM FAMILY SHELTER CORPORATION

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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, 2008 and 2007, 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 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2008 and 2007, 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
October 23, 2008

OZANAM FAMILY SHELTER CORPORATION
Statements of Assets, Liabilities, and Net Assets - Cash Basis
At June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets		
Current Assets		
Cash and cash equivalents:		
Unrestricted	\$ 74,441	\$ 61,410
Temporarily restricted	<u>2,200</u>	<u>500</u>
	<u>76,641</u>	<u>61,910</u>
Property and Equipment	989,596	892,952
Less accumulated depreciation	<u>(403,586)</u>	<u>(359,535)</u>
	<u>586,010</u>	<u>533,417</u>
Total Assets	<u>\$ 662,651</u>	<u>\$ 595,327</u>
Net Assets		
Net Assets		
Unrestricted	\$ 660,451	\$ 594,827
Temporarily restricted	<u>2,200</u>	<u>500</u>
	<u>662,651</u>	<u>595,327</u>
Total Net Assets	<u>\$ 662,651</u>	<u>\$ 595,327</u>

OZANAM FAMILY SHELTER CORPORATION
Statements of Support, Revenue, and Expenses - Cash Basis
For the Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating Support and Revenue		
Support:		
Contributions	\$ 105,587	\$ 100,015
Grants - government	115,948	107,479
Grants - other	27,000	31,498
	<u>248,535</u>	<u>238,992</u>
Other Support:		
1104 Read Street grants and contributions	75,835	00
Revenue:		
Interest income	1,409	871
Miscellaneous income	132	00
	<u>325,911</u>	<u>239,863</u>
Operating Expenses		
Gross wages	133,395	127,452
Taxes - payroll	10,456	11,338
Utilities	19,820	15,247
Telephone	1,998	2,024
Insurance	14,161	8,797
Supplies	8,805	10,076
Office supplies	4,447	3,080
Repairs and maintenance	5,772	5,516
Dues and subscriptions	100	110
Travel	376	00
Professional fees	2,200	1,822
Fundraising	7,873	11,275
Miscellaneous	3,931	1,512
Depreciation expense	45,253	44,547
Write-off of fixed assets	00	570
	<u>258,587</u>	<u>243,366</u>
Change in Net Assets	67,324	(3,503)
Net Assets - Beginning of Year	<u>595,327</u>	<u>598,830</u>
Net Assets - End of Year	<u><u>\$ 662,651</u></u>	<u><u>\$ 595,327</u></u>

See notes to the financial statements

OZANAM FAMILY SHELTER CORPORATION
Notes to Financial Statements - Cash Basis
For The Years Ended June 30, 2008 and 2007

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, 2008 or 2007.

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, 2008 and 2007

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 36 percent and 45 percent of its operating support from federal and local governments for the years ended June 30, 2008 and 2007, respectively. A significant reduction in the level of this support may have a significant effect on the Organization's programs and activities.

NOTE 3 - PROPERTY AND EQUIPMENT:

Property and equipment at June 30, 2008 and 2007 consisted of the following:

	2008		2007	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 89,020	\$ 00	\$ 38,000	\$ 00
Land improvements	26,602	443	00	00
Building	513,608	229,001	512,589	202,536
Equipment	28,670	4,988	10,667	4,975
Furniture and fixtures	5,359	5,147	5,359	5,059
Building improvements	326,337	164,007	326,337	146,965
	<u>\$ 989,596</u>	<u>\$ 403,586</u>	<u>\$ 892,952</u>	<u>\$ 359,535</u>

During the fiscal year ended June 30, 2008, the Organization received \$75,835 in donations and grants and paid \$96,176 to purchase property adjacent to the shelter at 1104 Read Street, raze the existing structure, and construct a playground and parking lot on the property. Subsequent to June 30, 2008, the Organization paid an additional \$11,590 for completion of the project

NOTE 4 – TEMPORARILY RESTRICTED CASH AND NET ASSETS:

Temporarily restricted activity during the fiscal year 2008 and 2007 are as follows:

	2008	2007
Temporarily restricted net assets - beginning of year	\$ 500	\$ 2,358
Contributions received:		
Downstairs women's bathroom remodel	2,200	00
Resident needs	00	500
Released from restrictions	<u>(500)</u>	<u>(2,358)</u>
Temporarily restricted net assets - end of year	<u>\$ 2,200</u>	<u>\$ 500</u>

OZANAM FAMILY SHELTER CORPORATION
Notes to Financial Statements - Cash Basis
For the Years Ended June 30, 2008 and 2007

NOTE 5 - INCOME TAXES:

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

There are no material tax positions taken by the Organization which require recognition or disclosure under Financial Accounting Standards Board Interpretation No. 48 "Accounting for Uncertainty in Income Taxes". The Organization's Federal and State income tax returns for all years after 2004 are subject to examination by taxing authorities.

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 2008 and 2007 were \$20,000 and \$36,000, respectively.

The Indiana Department of Education (IDOE) operates on a September 30th fiscal year. The award amount is determined monthly by the number of meals the Organization serves to children multiplied by established reimbursement rates. Subsequent to June 30, 2008, the grant agreement was renewed for the fiscal year ending September 30, 2009.

The Indiana Housing and Community Development Authority (IHCDA) operates on a June 30th fiscal year. The award amounts for fiscal years ended June 30, 2008 and 2007 were \$37,934 and \$35,294, respectively. Subsequent to June 30, 2008, the grant agreement was renewed for \$30,168 for fiscal 2009.

In accordance with the cash basis method of accounting, grant revenues are recognized as received by the Organization. Government grant revenue received for the years ended June 30, 2008 and 2007 consisted of the following:

	2008	2007
DMD	\$ 36,000	\$ 27,001
IDOE	49,135	46,650
IHCDA	30,813	33,828
	<u>\$ 115,948</u>	<u>\$ 107,479</u>