

# FRANCISCAN SHELTERS d.b.a. BETHANY HOUSE

**Independent Auditor's Report and Financial Statements**  
December 31, 2021 and 2020

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# Franciscan Shelters d.b.a. Bethany House

December 31, 2021 and 2020

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## Independent Auditor's Report

Board of Trustees  
Franciscan Shelters d.b.a. Bethany House  
Toledo, Ohio

### **Opinion**

We have audited the financial statements of Franciscan Shelters d.b.a. Bethany House, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Franciscan Shelters d.b.a. Bethany House as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Franciscan Shelters d.b.a. Bethany House and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Prior Year Audited by Other Auditors**

The 2020 financial statements were audited by other auditors, and their report thereon, dated May 11, 2021, expressed an unmodified 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 Franciscan Shelters d.b.a. Bethany House's ability to continue as a going concern within one year after the date that these 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 GAAS 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 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 GAAS, 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 Franciscan Shelters d.b.a. Bethany House'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 Franciscan Shelters d.b.a. Bethany House'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.

**BKD, LLP**

Fort Wayne, Indiana  
May 18, 2022

# Franciscan Shelters d.b.a. Bethany House

## Statements of Financial Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 719,327	\$ 615,367
Accounts receivable		
Tenants receivable	399	233
Grants receivable	45,495	76,397
Investments	1,078,026	786,197
Prepaid expenses and other assets	17,144	15,563
Property and equipment, net	<u>53,038</u>	<u>52,244</u>
 Total assets	 <u>\$ 1,913,429</u>	 <u>\$ 1,546,001</u>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 6,521	\$ 13,773
Refundable advance	114,954	12,391
Deposits	3,550	2,050
Other liabilities	16,535	6,661
Total liabilities	<u>141,560</u>	<u>34,875</u>
 <b>Net Assets</b>		
Without donor restrictions		
Undesignated	1,713,599	1,463,154
Board-designated	<u>30,000</u>	<u>30,000</u>
	1,743,599	1,493,154
With donor restrictions	<u>28,270</u>	<u>17,972</u>
 Total net assets	 <u>1,771,869</u>	 <u>1,511,126</u>
 Total liabilities and net assets	 <u>\$ 1,913,429</u>	 <u>\$ 1,546,001</u>

# Franciscan Shelters d.b.a. Bethany House

## Statement of Activities Year Ended December 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains (Losses) and Other Support</b>			
Contributions	\$ 190,197	\$ 34,000	\$ 224,197
Grants	355,476	-	355,476
Contributions from foundations	127,000	11,500	138,500
Contributed rent from affiliate	120,960	-	120,960
Rental income	43,550	-	43,550
Investment return	118,086	-	118,086
Net assets released from restrictions	35,202	(35,202)	-
Total revenue, gains (losses) and other support	990,471	10,298	1,000,769
<b>Expenses</b>			
Salaries and benefits	396,379	-	396,379
Utilities	35,222	-	35,222
Repairs and maintenance	31,639	-	31,639
Professional fees	39,133	-	39,133
Rent	120,960	-	120,960
Client assistance	65,508	-	65,508
Office and other supplies	3,759	-	3,759
Fundraising and other	7,663	-	7,663
Telephone	5,936	-	5,936
Program expenses	2,484	-	2,484
Depreciation	9,444	-	9,444
Other	21,899	-	21,899
Total expenses	740,026	-	740,026
<b>Change in Net Assets</b>	250,445	10,298	260,743
<b>Net Assets, Beginning of Year</b>	1,493,154	17,972	1,511,126
<b>Net Assets, End of Year</b>	\$ 1,743,599	\$ 28,270	\$ 1,771,869

# Franciscan Shelters d.b.a. Bethany House

## Statement of Activities Year Ended December 31, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains (Losses) and Other Support</b>			
Contributions	\$ 257,435	\$ 23,546	\$ 280,981
Grants	458,139	-	458,139
Contributions from foundations	94,500	-	94,500
Contributed rent from affiliate	120,960	-	120,960
Rental income	28,500	-	28,500
Investment return	99,292	-	99,292
Net assets released from restrictions	23,597	(23,597)	-
Total revenue, gains (losses) and other support	1,082,423	(51)	1,082,372
<b>Expenses</b>			
Salaries and benefits	390,761	-	390,761
Utilities	33,844	-	33,844
Repairs and maintenance	46,612	-	46,612
Professional fees	37,343	-	37,343
Rent	120,960	-	120,960
Client assistance	41,312	-	41,312
Office and other supplies	3,423	-	3,423
Fundraising and other	9,426	-	9,426
Telephone	10,426	-	10,426
Program expenses	8,296	-	8,296
Depreciation	10,332	-	10,332
Other	22,425	-	22,425
Total expenses	735,160	-	735,160
<b>Change in Net Assets</b>	347,263	(51)	347,212
<b>Net Assets, Beginning of Year</b>	1,145,891	18,023	1,163,914
<b>Net Assets, End of Year</b>	\$ 1,493,154	\$ 17,972	\$ 1,511,126

**Franciscan Shelters d.b.a. Bethany House**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2021**

	<b>Program</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 209,531	\$ 57,848	\$ 24,848	\$ 292,227
Employee benefits	86,835	12,189	5,128	104,152
Advertising and marketing	50	280	300	630
Client assistance	65,353	155	-	65,508
Bad debts	-	-	-	-
Bank service charges	-	129	-	129
Board expenses	-	260	-	260
Depreciation expense	9,052	392	-	9,444
Dues and subscriptions	-	559	-	559
Insurance	11,074	4,958	-	16,032
Miscellaneous	-	136	-	136
Office supplies and equipment	578	3,181	-	3,759
Postage and delivery	-	1,457	1,690	3,147
Printing and reproduction	833	1,192	2,491	4,516
Professional fees	1,445	37,046	642	39,133
Program and outreach expenses	2,484	-	-	2,484
Rent	108,864	12,096	-	120,960
Repairs and maintenance	31,217	422	-	31,639
Staff/volunteer appreciation	168	1,251	-	1,419
Telephone	1,875	3,181	880	5,936
Travel/training	1,942	792	-	2,734
Utilities	31,880	3,342	-	35,222
	<u>\$ 563,181</u>	<u>\$ 140,866</u>	<u>\$ 35,979</u>	<u>\$ 740,026</u>



# Franciscan Shelters d.b.a. Bethany House

## Statement of Functional Expenses Year Ended December 31, 2020

	Program	Supporting Services	Fundraising	Total
Salaries	\$ 243,153	\$ 49,242	\$ 23,275	\$ 315,670
Employee benefits	62,876	7,535	4,680	75,091
Client assistance	40,875	437	-	41,312
Bad debts	2,300	-	-	2,300
Bank service charges	-	228	-	228
Board expenses	-	628	-	628
Depreciation expense	9,323	1,009	-	10,332
Dues and subscriptions	300	-	-	300
Insurance	11,124	4,933	-	16,057
Miscellaneous	106	4	-	110
Office supplies and equipment	174	3,249	-	3,423
Postage and delivery	385	740	2,385	3,510
Printing and reproduction	2,488	114	3,316	5,918
Professional fees	4,125	32,740	478	37,343
Program and outreach expenses	8,214	82	-	8,296
Rent	108,864	12,096	-	120,960
Repairs and maintenance	46,517	95	-	46,612
Staff/volunteer appreciation	5	820	-	825
Telephone	4,975	4,683	768	10,426
Travel/training	1,923	52	-	1,975
Utilities	30,430	3,414	-	33,844
	<u>\$ 578,157</u>	<u>\$ 122,101</u>	<u>\$ 34,902</u>	<u>\$ 735,160</u>

# Franciscan Shelters d.b.a. Bethany House

## Statements of Cash Flows Years Ended December 31, 2021 and 2020

	2021	2020
<b>Operating Activities</b>		
Change in net assets	\$ 260,743	\$ 347,212
Items not requiring (providing) operating activities cash flows		
Depreciation	9,444	10,332
Bad debt expense - rent	-	2,300
Realized/unrealized gains on investments	(105,027)	(88,886)
Changes in		
Accounts and grants receivable	30,736	(35,478)
Prepaid expenses and other assets	(1,581)	4,334
Accounts payable	(7,252)	3,738
Refundable advance, deposits and other liabilities	113,937	15,940
Net cash provided by operating activities	301,000	259,492
<b>Investing Activities</b>		
Purchase of property and equipment	(10,238)	-
Purchase of investments	(186,802)	-
Proceeds from sales of investments	-	16,099
Net cash (used in) provided by investing activities	(197,040)	16,099
 <b>(Decrease) Increase in Cash and Cash Equivalents</b>	 103,960	 275,591
<b>Cash and Cash Equivalents, Beginning of Year</b>	615,367	339,776
<b>Cash and Cash Equivalents, End of Year</b>	\$ 719,327	\$ 615,367

# Franciscan Shelters d.b.a. Bethany House

## Notes to Financial Statements

December 31, 2021 and 2020

### Note 1: Nature of Operations and Summary of Significant Accounting Policies

#### ***Nature of Operations***

Franciscan Shelters d.b.a. Bethany House (Organization) was established on January 1, 1984 and incorporated in the state of Ohio on December 30, 1988, to provide safe long-term transitional shelter and support services to domestic violence victims and their children. The Organization is a wholly-owned subsidiary of Sylvania Franciscan Ministries, which is the formal expression of the sponsored health and human services ministries of the Sisters of St. Francis of Sylvania, Ohio.

#### ***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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

#### ***Cash and Cash Equivalents***

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2021 and 2020, cash equivalents consisted primarily of money market funds with brokers.

At December 31, 2021, the Organization's cash accounts exceeded federally insured limits by approximately \$345,000.

#### ***Investments and Investment Return***

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments are valued at fair value. Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments carried at fair value.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included net assets without donor restrictions. Other investment return is reflected in the statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

# Franciscan Shelters d.b.a. Bethany House

## Notes to Financial Statements December 31, 2021 and 2020

### **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation, except donated assets which are recorded at fair value as of the date of the gift. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives. Upon sale or retirement of furniture and fixtures, the cost and related accumulated depreciation are eliminated from the respective accounts, and resulting gain or loss is included in the statements of activities. All purchases in excess of \$5,000 are capitalized, while lesser amounts are charged to expense.

### **Contributions**

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Gifts having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets with donor restrictions and then released from restrictions.

# Franciscan Shelters d.b.a. Bethany House

## Notes to Financial Statements December 31, 2021 and 2020

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets net assets with donor restrictions and then released from restrictions. Conditional promises to give totaled \$114,955 and \$210,126 as of December 31, 2021 and 2020, respectively, and will be recorded as revenue when conditions are met.

Gifts of furniture and fixtures and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in a reclass of net assets with donor restrictions are reported when the long-lived assets are placed in service.

### **Government Grants**

Support funded by grants is recognized as the Organization meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

### **Net Assets – Basis of Presentation**

Net assets, revenue, expenses, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. The definitions used to clarify and report net assets are as follows:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations and are available for use in general operations or are part of what's invested in property, plant and equipment (net of related debt). However, the governing board may designate any of these funds for specific purposes.

*Net Assets With Donor Restrictions* – Net assets subject to donor imposed stipulations (1) that will be met either by actions of the Organization or the passage of time or (2) that are to be perpetually maintained by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

### **Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, the Organization is subject to federal income tax on any unrelated business taxable income.

### **Functional Allocation of Expenses**

The costs of supporting the Organization's program and supporting activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program and supporting services categories based on time and effort and other methods.

# Franciscan Shelters d.b.a. Bethany House

## Notes to Financial Statements December 31, 2021 and 2020

### Reclassifications

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 financial statement presentation. These reclassifications had no effect on the change in net assets.

### Note 2: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

### Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2021 and 2020:

	Fair Value	Fair Value Measurements Using			Investments Measured at NAV <sup>(A)</sup>
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>December 31, 2021</b>					
Cash equivalents - money market mutual fund	\$ 105,578	\$ 105,578	\$ -	\$ -	\$ -
Investments					
Mutual funds - fixed-income domestic	180,950	180,950	-	-	-
Mutual funds - international	175,730	175,730	-	-	-
Mutual funds - domestic	182,735	182,735	-	-	-
Common stock	538,611	538,611	-	-	-
	<u>\$ 1,078,026</u>				
Total investments	<u>\$ 1,078,026</u>				

# Franciscan Shelters d.b.a. Bethany House

## Notes to Financial Statements December 31, 2021 and 2020

	Fair Value Measurements Using				Investments Measured at NAV <sup>(A)</sup>
	Fair Value	Quoted Prices Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>December 31, 2020</b>					
Cash equivalents - money market					
mutual fund	\$ 59,103	\$ 59,103	\$ -	\$ -	\$ -
Investments					
Mutual funds - fixed-income domestic	145,598	145,598	-	-	-
Mutual funds - international	122,187	122,187	-	-	-
Common stocks	369,710	36,710	-	-	-
Common collective trust	148,702	-	-	-	148,702
	<u>\$ 786,197</u>				
Total investments					

- (A) Certain investments that are measured at fair value using the next asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position. There were no unfunded commitments to the fund and no redemption restrictions at December 31, 2020.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2021.

### Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

# Franciscan Shelters d.b.a. Bethany House

## Notes to Financial Statements December 31, 2021 and 2020

Total investment return is comprised of the following:

	<u>2021</u>	<u>2020</u>
Interest and dividend income, net of expenses	\$ 13,059	\$ 10,406
Net realized and unrealized gains on investments reported at fair value	<u>105,027</u>	<u>88,886</u>
	<u>\$ 118,086</u>	<u>\$ 99,292</u>

### Note 3: Property and Equipment

	<u>2021</u>	<u>2020</u>
Furniture, fixtures and equipment	\$ 141,540	\$ 131,301
Leasehold Improvements	<u>45,622</u>	<u>45,622</u>
	187,162	176,923
Less accumulated depreciation	<u>(134,124)</u>	<u>(124,679)</u>
Total	<u>\$ 53,038</u>	<u>\$ 52,244</u>

### Note 4: Net Assets

#### *Net Assets With Donor Restrictions*

Donor restricted net assets at December 31 are available for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose		
Car program	\$ 18,793	\$ 10,455
Birthday fund	897	2,590
Client assistance fund	4,796	274
Computer fund	1,379	1,379
Toy fund	-	869
Basement project	<u>2,405</u>	<u>2,405</u>
Total net assets with donor restrictions	<u>\$ 28,270</u>	<u>\$ 17,972</u>

Net assets released from donor restrictions during 2021 and 2020 were by incurring expenses satisfying the restricted program purposes.



# Franciscan Shelters d.b.a. Bethany House

## Notes to Financial Statements December 31, 2021 and 2020

### Note 5: Retirement Plan

Employees are eligible to participate in a defined contribution retirement plan. The Organization provides employees with a basic contribution of 1 percent of eligible compensation, plus a matching contribution equal to 50 percent of the first 6 percent of the employee's contribution, for a maximum matching contribution of 3 percent of compensation. Employees become 100 percent vested in the 1 percent basic contribution after three years of service and are immediately vested in the match. Total Organization contributions charged to retirement costs in 2021 and 2020 were \$9,519 and \$9,898, respectively.

### Note 6: Related Party Transactions

The following is a description of transactions between the Organization and related parties:

#### *Lease Commitment*

Franciscan Properties (Properties), an organization under common control of Sylvania Franciscan Ministries, owns a building that is occupied by the Organization and the leasehold improvements affixed to that building.

The building occupied by the Organization is leased from Properties under an operating lease that is renewable annually. There are no payments for rent under the terms of this lease. The estimated fair value of the lease for the years ended December 31, 2021 and 2020, was \$120,960. The fair value of the lease during the year was recognized as contributed rent from affiliate, with an offsetting amount included in rent expense in the statements of activities. The estimated fair value of the lease is based on recent comparable leases in the local market.

The Organization paid \$0 in leasehold improvements to the building owned by Properties during the years ended December 31, 2021 and 2020.

### Note 7: Significant Estimates, Concentrations and Uncertainties

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

#### *Investments*

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

# Franciscan Shelters d.b.a. Bethany House

## Notes to Financial Statements December 31, 2021 and 2020

### ***Risks and Uncertainties***

As a result of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Organization. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

### **Note 8: Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 719,327	\$ 615,367
Receivables, net of allowance	45,894	76,630
Investments	<u>1,078,026</u>	<u>786,197</u>
Total financial assets	1,843,247	1,478,194
Donor-imposed restrictions and internal designations		
Restricted funds	(28,270)	(17,972)
Board-designated funds	<u>(30,000)</u>	<u>(30,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,784,977</u>	<u>\$ 1,430,222</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing mission-related activities, as well as the conduct of service undertaken to support those activities, to be general expenditures.

At December 31, 2021 and 2020, the Organization's board-designated endowment totaled \$30,000. While not expected to be needed, the Organization could use these funds to meet cash needs if necessary, pending approval from the Board.

### **Note 9: Subsequent Events**

Subsequent events have been evaluated through May 18, 2022 which is the date the financial statements were available to be issued.