

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE**

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

**TOGETHER WITH
INDEPENDENT AUDITORS REPORT**

AFFECTING COMMUNITY TRANSFORMATION

DBA OASIS HOUSE

DECEMBER 31, 2022

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Manning & Associates

Certified Public Accountants, LLC

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Affecting Community Transformation
dba Oasis House
Dayton, Ohio

Opinion

We have audited the accompanying financial statements of Affecting Community Transformation dba Oasis House (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of Affecting Community Transformation dba Oasis House as of December 31, 2022, 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. 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 Affecting Community Transformation dba Oasis 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Affecting Community Transformation dba Oasis House's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 misstatements, 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, misrepresentation, 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 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 Affecting Community Transformation dba Oasis 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 Affecting Community Transformation dba Oasis 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.

Manning & Associates CPAs, LLC
Dayton, Ohio

March 31, 2023

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022**

ASSETS

Current Assets	
Cash in Bank	\$ 328,158
Cash in Saving	41,035
Other	1,073
Total Current Assets	\$ <u>370,266</u>
 Property and Equipment	
Land	\$ 15,000
Residential Homes	99,297
Furniture, Fixtures and Equipment	20,436
Total Property and Equipment	\$ <u>134,733</u>
Less Accumulated Depreciation	<u>(35,595)</u>
Net Property and Equipment	\$ <u>99,138</u>
Total Assets	\$ <u><u>469,404</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
 Net Assets	
Without Donor Restrictions	
Undesignated	\$ 427,365
Board Designated	42,039
Total Net Assets Without Donor Restrictions	\$ <u>469,404</u>
With Donor Restrictions	<u>0</u>
Total Net Assets	\$ 469,404
Total Liabilities and Net Assets	\$ <u><u>469,404</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Support and Revenue		
Grants	\$	86,316
Contributions		
Individuals		43,529
Church		14,648
Non-Individual Entities		22,230
Special Groups		374
Direct Public		
Fund Raising		
Golf Outing Net of Expenses \$9,787		23,960
Traffic Jam Net of Expenses \$12,885		55,898
H.T. Conference Outreach Net of Expenses \$6,098		5,837
Other		8,594
Total Support and Revenue	\$	<u>261,386</u>
 Operating Expenses		
Program	\$	125,596
Supporting Services		42,915
Fundraising		5,021
Total Operating Expenses	\$	<u>173,532</u>
 Support and Revenue in Excess of Operating Expenses Before Insurance Claim		
	\$	87,854
Insurance Claim		33,000
Support and Revenue in Excess of Operating Expenses	\$	<u>120,854</u>
Net Assets at Beginning of Year Restated	\$	348,550
Change in Net Assets		120,854
Net Assets at End of Year	\$	<u>469,404</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program	Fundraising	Supporting Services	Total
Salaries and Related Expenses	\$ 57,505	\$ 3,192	\$ 19,157	\$ <u>79,854</u>
Operating Facility - Rent	2,192	365	4,752	\$ <u>7,309</u>
Residential Homes - Direct				
Salaries and Related Expenses	7,419			7,419
Utilities	8,959			8,959
Insurance	4,716			4,716
Repairs and Maintenance	16,145			16,145
Transportation	370			370
Client - Food, Medical, Stipend	2,255			2,255
Security	1,493			1,493
Miscellaneous	520			520
Depreciation	2,915			2,915
Total Residential				\$ <u>44,792</u>
Women of Roundtable	7,747			7,747
Outreach Program	4,588			4,588
Professional Fees	2,427	404	5,260	8,091
Insurance	974	162	2,111	3,247
Office Supplies, Copier, Telephone	4,002	670	8,667	13,339
Payroll Service	614	102	1,331	2,047
Merchant Accounts, PayPal	437	73	947	1,457
Meetings, Dues, Conference	318	53	690	1,061
Total Expenses	\$ <u>125,596</u>	\$ <u>5,021</u>	\$ <u>42,915</u>	\$ <u>173,532</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 120,854
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Grant and contributions for capital assets	
Paycheck Protection Program loan forgiveness	
Depreciation	2,915
Increase (Decrease) in:	
Other Current Assets	(1,059)
 Increase (Decrease) in:	
Accounts payable	

Net Cash Provided by Operating Activities	\$ 122,710
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CASH FLOWS FROM INVESTING ACTIVITIES

Improvement of residential property, capital asset	\$ 0
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CASH FLOWS FROM FINANCING ACTIVITIES

Net Cash Provided by Financing Activities	\$ 0
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Net Increase (Decrease) in Cash Equivalents	\$ 122,710
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CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	246,483
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 369,193

The Accompanying Notes are an Integral Part of These Financial Statements

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 – ORGANIZATIONAL STRUCTURE AND NATURE OF OPERATIONS

Affecting Community Transformation DBA Oasis House (The Organization) is a not-for-profit organization duly incorporated on the 6th day of June, 2003, by virtue of the provisions of the laws of the State of Ohio.

Purpose. The Organization offers hope and support and advocacy for female survivors of sexual exploitation and trauma. Through Christ’s unconditional love, Oasis House heals, empowers and restores survivors by teaching practical life skills. The Organization intends to serve female survivors in the following manner:

- To provide transitional and long-term housing opportunities to individuals participating in programming;
- To provide assistance and linkage for survivors of human trafficking;
- To provide access to professional counseling services for program participants who have mental/emotional disorders including trauma and substance use disorders;
- To provide life-skills training and/or facilitate access to professional development programming through community partners;
- To provide emotional, physical, and spiritual support through outreach ministry (street, internet, jail, prison, inpatient and outpatient support programs);
- To provide a loving welcoming environment where individuals can feel safe, accepted, and free of criticism (judgments) of the circumstances of their life

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting Standards Update 2016-14 (ASU 2016-14), *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-profit Entities*. The Significant accounting policies followed are described below:

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Accounting Principles Generally Accepted in the United States of America.

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

USE OF ESTIMATES

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities accompanying statement of financial position and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the accompanying during statement of activities during the reporting period. The Organization’s actual results could differ materially from those estimates.

CASH AND CASH EQUIVALENT

Cash and cash equivalents consist of deposits in banks with an initial maturity of three months or less.

PROPERTY AND EQUIPMENT

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis. Such lives, in the opinion of management, are adequate to allocate costs over their productive lives. Maintenance, repairs and minor improvements are expensed as incurred.

Gifts of long-lived assets such as land, buildings or equipment are recorded at fair value and reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

IMPAIRMENT OF LONG-LIVED ASSEST

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows of the operation to which the assets relate to the carrying amount. If the operation is determined to be unable to recover the carrying amount of its assets, then assets are written down first, followed by other long-lived assets of the operation to fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. As of December 31, 2022, there were no impairment losses recognized for long-lived assets.

CLASSIFICATION OF NET ASSETS

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restriction – net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

Net assets with donor restriction – net assets subject to donor-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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures are required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a 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 financial statements of operations as net assets released from restrictions.

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION

Contributions received are recorded as net assets with donor restrictions and without donor restrictions, depending on the existence and/or nature of any donor restrictions. Revenue and support received from public support is recognized when proceeds are received. When a restriction expires (that is, when a 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 statement of activities as net assets released from restriction.

Other revenues including grant income are recognized in the period earned. Membership dues are recognized in the period received.

As disclosed in Note 1, the Organization and its dedicated volunteers work together to raise awareness and provide essential education, advocacy, and support group programs at no cost for people in the community living with mental illness and their love ones. Accordingly, revenues do not include amounts for these services.

FUNDRAISING ACTIVITIES

Fundraising activities include publicizing and conducting fundraising campaigns, maintaining donor lists, conducting special fundraising events, and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

CONTRIBUTED SERVICES AND TANGIBLE PERSONAL PROPERTY

The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 10,600 volunteer hours per year.

The Organization occasionally receives contributions of professional services, maintenance, and supplies. These contributions are used in providing services to the women who stay in the Organization's shelters. The contributions are recognized at the item's fair value at the date of donation, estimated using sales prices for items of similar condition. All of these contributions do not have donor restrictions.

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CONTRIBUTED SERVICES AND TANGIBLE PERSONAL PROPERTY

During the year ended the Organization recorded in-kind contribution as follows:

Professional Service	
Audit of Financial Statements	\$2,000
Outreach Consulting	2,365
Shelter Maintenance	314
Supplies	<u>385</u>
	<u>\$5,064</u>

ALLOCATED EXPENSES

Directly identifiable expenses are charged to programs and support services. Expenses related to more than one function have been allocated between programs on the basis of estimates made by the Organization management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

CONCENTRATION OF CREDIT RISK

Financial instruments that are potentially subject to concentrations of credit risk consist primarily of cash, cash equivalents, and accounts receivable. Cash deposits are placed in financial institutions which at times may exceed the federal deposit insurance corporation (FDIC) coverage. The Organization has not experienced any losses in its cash accounts and does not believe it is exposed to any significant credit risk related to uninsured amounts.

INCOME TAXES AND UNCERTAIN TAX POSITION

The Organization is a not-for-profit organization incorporated under the laws of the state of Ohio and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Code.

Management has evaluated income tax position taken or expected to be taken, if any, on income tax returns filed and the likelihood that, upon examination by relevant jurisdictions, those income tax positions would be sustained. Based on the results of this evaluation management determined there are no positions that necessitated disclosures and/or adjustments.

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CONTRIBUTIONS

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

MEASURES OF OPERATIONS AND PERFORMANCE INDICATOR

The statement of activities includes the determination of operating income and revenues in excess of expenses (the performance indicator). Operating income includes only those operating revenues and expenses that are an integral part of the Organization's services and supporting activities and net assets released from donor restrictions to support operating expenditures. Revenues in excess of expenses includes all operating activities, as well as investment income, and other nonoperating activities that are used to support the Organization services.

**FINANCIAL STATEMENT PRESENTATION AND IMPLEMENTATION
OF NEW ACCOUNTING STANDARD**

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets* (ASU) 2020-07). ASU 2020-07 improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure.

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**FINANCIAL STATEMENT PRESENTATION AND IMPLEMENTATION
OF NEW ACCOUNTING STANDARD (continued)**

The amendments in the Update address certain stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP's programs and other activities. The Amendments in the Update should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The Organization has adopted ASU 2020-07 as of January 1, 2021. There were no material effects on the financial statements for the year ended December 31, 2021.

EVALUATION OF SUBSEQUENT EVENTS

The Organization evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through March 31, 2023, which is the date the financial statements were available to be issued.

NOTE 3 – OPERATING FACILITY

During 2022, the Organization moved to a new operating facility and entered into a lease commencing August 1, 2022 and ending July 31, 2023 with one year renewal term. Under the lease, the Organization pays \$1,008 per month. Rent of \$5,040 was paid and expensed during 2022.

NOTE 4 – BOARD DESIGNATED NET ASSETS

Effective April 30, 2016, Be Free Dayton, an Ohio not-for-profit corporation ("Free") merged with and into Affecting Community Transformation dba Oasis House (Organization) with it being the surviving corporation. Under terms of the merger agreement, all Free assets (\$103,305 cash) were transferred to Organization requiring that OASIS House earmark funds as follows:

\$57,000	Homes for Healing Campaign
\$20,000	Safe Harbor House, Springfield, Ohio

**AFFECTING COMMUNITY TRANSFORMATION
DBA OASIS HOUSE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 – BOARD DESIGNATED NET ASSETS (continued)

On April 25, 2016 the Organization issued a check in the amount of \$20,000 to Safe Harbor House, Further, during 2016, the Organization purchased and performed improvement to a residential home located in Dayton, Ohio. Total cost to acquire and renovate property was \$41,266.

Accordingly, the Board designated remaining Free assets as follows:

Total cash received	\$103,305
Less: Cash to Safe Harbor House	(20,000)
Residential home acquired and renovated	<u>(41,266)</u>
Balance, Board Designated Net assets without Donor restrictions	<u>\$42,039</u>

During March 2023, the Board of Directors approved utilizing \$32,000 of board designated funds to make updates to Organization homes as needed.

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Cash and cash equivalents	\$369,193
Less: Board designated net assets	<u>42,039</u>
Total	<u>\$327,154</u>

The liquidity management of the Organization includes a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Organization manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs.

NOTE 6 – INSURANCE CLAIM

During 2022, a house and garage owned by the Organization received damage from a tree falling on the structures. Insurance proceeds were received as follows:

Garage total loss	\$33,000
Home damaged and repaired	<u>13,912</u>
Total Proceeds	<u>\$46,912</u>