OASIS CENTER, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA

As of and for the Year Ended June 30, 2022

And Report of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

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OASIS CENTER, INC.
ROSTER OF BOARD OF DIRECTORS AND EXECUTIVE STAFF

AS OF JUNE 30, 2022

Board of Directors

Tayo Atanda	Chair
Laura Creekmore	Secretary
Jason Jenson	Treasurer
Chris Patterson	Board Member
Gregg Boling	Board Member
Charles Robert Bone	Board Member
Brian McKinley	Board Member
Lisa Campbell	Board Member
Richard Dinkins	Board Member
Sonnye Dixon	Board Member
Martha Earls	Board Member
Andres Martinez	Board Member
Susan Mosely-Howard	Board Member
Tashina Mason	Board Member
Michael Peacock	Board Member
Sam Strang	Board Member
Kristie Nettles	Board Member
Lynn Blake	Board Member
Jill Heyman	Board Member
John Ozier	Board Member
Ashlee Davis	Board Member
Frank Drummond	Board Member
Rexford B. Martin, Jr.	Board Member
Jason Ringblom	Board Member
Melissa Eli	Board Member

Executive Staff

Mark Dunkerley	President and Chief Executive Officer
Kimberly Reese	Chief Financial Officer
Jenn Garcia	VP of Action, Advocacy & Education
Karri Gornick	VP of Housing & Workforce Development
Cheryl Mendez	VP of Clinical Services
Shanda Hampton	VP of Human Resources

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Directors
Oasis Center, Inc.
Nashville, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Oasis Center, Inc. (a nonprofit organization) (the "Center"), which comprise the statement of financial position as of June 30, 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 present fairly, in all material respects, the financial position of the Center, as of June 30, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the 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 and *Government 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 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 and *Government 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 the 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 the 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Roster of Board of Directors and Executive Staff on page 1, which is the responsibility of management, is of a non-accounting nature, and has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2023, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Nashville, Tennessee
March 6, 2023

OASIS CENTER, INC.
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

ASSETS		
Current Assets:		
Cash and cash equivalents	$	849,947
Receivable from grantor agencies		455,979
Other receivables		107,517
Other assets		119,265
Total Current Assets		1,532,708
Investments		2,723,381
Land, building, and equipment, net		4,251,205
Total Assets	$	8,507,294
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$	255,867
Accrued expenses		127,961
Total Current Liabilities		383,828
Net Assets:		
Without donor restrictions		8,123,274
With donor restrictions		192
Total Net Assets		8,123,466
Total Liabilities and Net Assets	$	8,507,294

The accompanying notes to the financial statements are an integral part of these statements.

OASIS CENTER, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Government grants	$ 3,460,403	$ -	$ 3,460,403
Contributions	2,271,839	17,517	2,289,356
Paycheck Protection Program grant	779,300	-	779,300
Other grants	452,704	-	452,704
United Way	327,800	-	327,800
Special event revenue	134,832	-	134,832
Investment return, net	(361,849)	-	(361,849)
Other	51,111	-	51,111
Program fees and other	13,534	-	13,534
Net assets released from restrictions	20,902	(20,902)	-
Total Revenue and Other Support	7,150,576	(3,385)	7,147,191
Expenses:			
Program Services:			
Residential and crisis services	2,738,586	-	2,738,586
Youth action services	489,112	-	489,112
Statewide TOP	443,227	-	443,227
Youth engagement services	627,052	-	627,052
Transitions initiative	188,297	-	188,297
College connection	512,002	-	512,002
Counseling services	278,957	-	278,957
Total Program Services	5,277,233	-	5,277,233
Support Services:			
Management and general	899,240	-	899,240
Advancement	447,646	-	447,646
Total Support Services	1,346,886	-	1,346,886
Total Expenses	6,624,119	-	6,624,119
Change in net assets	526,457	(3,385)	523,072
Net assets, beginning of year	7,596,817	3,577	7,600,394
Net assets, end of year	$ 8,123,274	$ 192	$ 8,123,466

The accompanying notes to the financial statements are an integral part of these statements.

OASIS CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	Program Services								Support Services			
	Residential and Crisis Services	**Youth Action Services**	**Statewide TOP**	**Youth Engagement Services**	**Transitions Initiative**	**College Connection**	**Counseling Services**	**Total Program Services**	**Management and General**	**Fundraising**	**Total Support Services**	**Total Expenses**
Salaries	$ 1,369,643	$ 255,264	$ 224,157	$ 374,035	$ 141,490	$ 396,990	$ 204,354	$ 2,965,933	$ 516,097	$ 291,390	$ 807,487	$ 3,773,420
Specific Assistance	842,791	21,497	3,455	6,794	7,767	422	670	883,396	3,438	1,416	4,854	888,250
Fringe Benefits	253,871	63,032	41,475	59,316	19,700	72,035	42,275	551,704	87,886	49,368	137,254	688,958
Professional Fees	67,028	13,946	13,660	32,888	1,710	5,306	2,768	137,306	120,310	14,450	134,760	272,066
Depreciation expense	81,083	36,282	9,206	46,363	1,103	9,361	14,896	198,294	24,622	8,381	33,003	231,297
Supplies	29,099	26,113	4,045	23,757	1,840	13,348	616	98,818	26,308	3,522	29,830	128,648
Printing & Publications	1,627	9,416	26,198	9,255	94	2,755	632	49,977	42,767	8,779	51,546	101,523
Grants and Subcontracts	-	13,722	82,505	1,034	-	-	-	97,261	2,500	-	2,500	99,761
Occupancy	23,106	16,265	3,717	18,004	5,519	2,829	6,546	75,986	13,500	3,717	17,217	93,203
Equipment	13,923	1,534	-	18,417	-	-	-	33,874	23,048	61	23,109	56,983
Maintenance	14,516	6,536	1,217	14,630	1,383	863	2,336	41,481	8,899	1,276	10,175	51,656
Conferences & Meetings	2,765	12,929	19,193	3,757	-	-	750	39,394	11,001	-	11,001	50,395
Telephone	16,156	4,092	2,825	4,411	4,310	3,671	1,437	36,902	4,981	1,672	6,653	43,555
Insurance	13,579	3,510	1,772	10,615	788	2,400	1,545	34,209	6,435	1,673	8,108	42,317
Special Events	-	-	-	-	-	140	-	140	-	41,765	41,765	41,905
Miscellaneous	1,965	583	115	511	2,483	257	92	6,006	6,960	19,294	26,254	32,260
Travel	7,425	3,763	5,570	3,253	110	1,625	40	21,786	29	70	99	21,885
Postage & Shipping	9	628	4,117	12	-	-	-	4,766	459	812	1,271	6,037
	$ 2,738,586	$ 489,112	$ 443,227	$ 627,052	$ 188,297	$ 512,002	$ 278,957	$ 5,277,233	$ 899,240	$ 447,646	$ 1,346,886	$ 6,624,119

The accompanying notes to the financial statements are an integral part of these statements.

OASIS CENTER, INC.
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

Cash flows from operating activities:	
Change in net assets	$ 523,072
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	231,297
Unrealized loss on investments	405,728
Change in operating assets and liabilities:	
Receivable from grantor agencies	248,049
Other receivables	(18,045)
Other assets	(45,869)
Accounts payable	3,646
Accrued expenses	(37,830)
Deferred revenue	(779,300)
Net cash flows from operating activities	530,748
Cash flows from investing activities:	
Purchases of investments	(726,248)
Sales of investments	708,014
Purchase of fixed assets	(19,692)
Net cash flows from investing activities	(37,926)
Net change in cash and cash equivalents	492,822
Cash and cash equivalents, beginning of year	357,125
Cash and cash equivalents, end of year	$ 849,947

The accompanying notes to the financial statements are an integral part of these statements.

Note 1—Nature of activities and summary of significant accounting policies

General – Oasis Center, Inc. (the "Center") is a nonprofit organization that provides comprehensive youth services, including an emergency shelter, counseling, independent living, employment training, and other educational opportunities for teens in Middle Tennessee. The Center is funded by government grants, United Way, private donations, and fees for service.

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 ("U.S. GAAP"). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenditures are reported in the net assets without donor restrictions class since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors are included in this classification. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions represent amounts available for specified projects.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Center considers all highly-liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Unconditional Promises to Give – Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, 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.

The Center uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Fair Value Measurements – Financial accounting standards relating to fair value measurements establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 1—Nature of activities and summary of significant accounting policies (continued)

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value on a recurring basis:

> *Investments* – Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include highly-liquid government securities and certain other products, such as mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows and are classified within Level 2 of the valuation hierarchy. In certain cases where there is limited activity, or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

No changes in the valuation methodology have been made during the year from July 1, 2021 through June 30, 2022.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center believes its valuation methods are appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date (see Note 3).

Land, Building, and Equipment – Land, building, and equipment are recorded at cost at the date of purchase or fair market value at the date of donation. Depreciation of building and equipment is provided over the estimated useful lives of the respective assets (ranging from 3 to 30 years) on a straight-line basis. The Center generally capitalizes an asset if its life is estimated to be one year or greater and the cost is $1,000 or greater.

Donated Goods and Services – The value of donated goods and services meeting the criteria for recognition are recorded as in-kind contributions, with the corresponding expenses recorded, when the fair values of the goods and services are available.

Government Assistance Accounting (or Paycheck Protection Program Loan Accounting) – Under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the Center received a Paycheck Protection Program ("PPP") loan and recorded the amount as conditional contributions under Accounting Standards Codification ("ASC") 958-605, *Not-for-Profit Entities – Revenue Recognition* (see Note 6).

Functional Allocation of Expenses – The costs of providing program services and supporting services have been summarized on a functional basis in the statements of activities and functional expenses. Expenses that relate to more than one function are allocated among applicable functions on the basis of objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management. Expenses that have been allocated consist primarily of salaries and related expenses and depreciation.

The following program and supporting services are included in the accompanying financial statements:

Program Services

> *Residential and Crisis Services* – Provides immediate response to youth in crisis, who have run away or who are experiencing homelessness. These services include an Emergency Shelter for youth ages 13 to 17 years old, along with street outreach, a drop-in center, case management, and connections to permanent housing for youth experiencing homelessness, ages 18 to 22 years old.

Note 1—Nature of activities and summary of significant accounting policies (continued)

Youth Action Services – Helps youth develop leadership and life skills while working to create change on systemic issues they deem critical to their lives and to other youth in the community. Youth Action Services includes programs like the Mayor's Youth Council, WeGo Public Transit Youth Action Team, Students of Stonewall, and Building Bridges.

Statewide TOP® – A state-wide effort to disseminate the Wyman Center's evidence-based Teen Outreach Program ("TOP®") in foster care, juvenile justice, and educational settings across Tennessee. This initiative focuses on training and supporting staff in these settings to implement *TOP®* as a means to improve life skills, health behaviors, and sense of purpose for particularly at-risk youth populations.

Youth Engagement Services – Engages at-risk youth in building positive identities and strong connections to their communities. Service-learning is central to this work as a tool for developing meaningful relationships, civic responsibility, and a positive sense of self. These services include programs like the International Teen Outreach Program, R.E.A.L., the Bike Workshop, and Just Us.

Transitions Initiative – Provides workforce development and job preparedness training for low-income and at-risk youth, ages 14 to 24 years old. Youth are supported in an individualized career development process that connects them to sustainable career pathways, wraparound supportive services, and follow-up support.

College Connection – Helps make college a reality for low-income, New American, and potential first generation college students by offering comprehensive college counseling services. Mobile staff engage students and families in schools, libraries, and community centers to help them build college-going identities, explore college/career options, complete financial aid and admissions paperwork, and find their most appropriate "fit" in order to be successful.

Counseling Services – Family, individual, and group counseling designed to address a wide range of issues affecting teens and their families. This work focuses on helping youth and families find hope and healing, build stronger relationships, discover personal strengths and resources, and find solutions that nurture ongoing positive growth.

Supporting Services

Management and General – Includes costs related to the overall direction of the Center. These expenses are not identifiable with a particular program or with fundraising but are indispensable to the conduct of those activities and are essential to the Center. Specific activities include organization oversight, business management, human resource function, finance and accounting services, training and coordinating volunteers, property and technology oversight, and other administrative duties.

Fundraising – Includes costs of activities directed toward grant writing, donor tracking, public relations, and fundraising. Other activities include the cost of solicitations as well as the creation and distribution of fundraising materials.

Estimates – The preparation of financial statements in conformity with U.S. GAAP 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.

Note 1—Nature of activities and summary of significant accounting policies (continued)

Income Taxes – The Center is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Center follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") guidance that clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Center has no tax penalties or interest reported in the accompanying financial statements.

Subsequent Events – The Center evaluated subsequent events through March 6, 2023, when these financial statements were available to be issued. The Center is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

Revenue from Contracts with Customers – The Center follows ASC 606. Under ASC 606, revenue is recognized when the Center transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods or services. Revenues from contracts with customers were not significant for the year ended June 30, 2022.

Adoption of New Accounting Pronouncements – In September 2020, FASB issued Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires not-for-profit entities to present contributed nonfinancial assets as separate line items in the statement of activities, apart from contributions of cash and other financial assets. In addition, for each category of contributed nonfinancial assets recognized, certain additional disclosures are required. This standard is effective for the year ended June 30, 2022 and had an immaterial effect on the Center's financial statements upon adoption. Generally, the Center has recognized the contribution of professional services and supplies at market value. Such items have been maintained for use in the Center. There have been no donor restrictions placed on such contributions.

Accounting Policies for Future Pronouncements – In February 2016, FASB issued ASU 2016-02, *Leases.* This guidance introduces a lessee model that brings substantially all leases on the statements of financial position. This guidance is effective for the year ending June 30, 2023. The Center is evaluating the impact this guidance may have on its financial statements.

Note 2—Liquidity and availability

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Center considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditures, that is, without donor restriction or other restrictions limiting their use within one year of the statement of financial position comprise the following at June 30, 2022:

Financial assets at year-end:		
Cash and cash equivalents	$	849,947
Receivable from grantor agencies		455,979
Other receivables		107,517
Investments		2,723,381
Total financial assets		4,136,824
Less amounts not available to be used for general expenditures within one year:		
Purpose restrictions		192
Financial assets not available to be used within one year		192
Financial assets available to meet general expenditures within one year	$	4,136,632

Note 3—Investments and fair value measurements

The following table sets forth the Center's major categories of assets and liabilities measured at fair value on a recurring basis, by level within the fair value hierarchy, as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market accounts	$ 393,251	$ -	$ -	$ 393,251
Equities:				
Technology	242,721	-	-	242,721
Consumer goods	231,601	-	-	231,601
Financial	221,183	-	-	221,183
Healthcare	135,644	-	-	135,644
Industrial goods	85,119	-	-	85,119
Communication	74,095	-	-	74,095
Energy	69,613	-	-	69,613
Real estate	61,149	-	-	61,149
Utilities	42,017	-	-	42,017
Total equities	1,163,142	-	-	1,163,142
Mutual funds:				
Mid-cap blend	301,758	-	-	301,758
Short term bond	196,451	-	-	196,451
Small blend	149,870	-	-	149,870
Intermediate-term bond	123,032	-	-	123,032
Foreign large blend	97,797	-	-	97,797
Corporate bond	88,333	-	-	88,333
Diversified emerging markets	74,220	-	-	74,220
Emerging markets bond	42,810	-	-	42,810
World bond	32,895	-	-	32,895
Inflation protected bond	27,111	-	-	27,111
High yield bond	21,683	-	-	21,683
Long government	11,028	-	-	11,028
Total mutual funds	1,166,988	-	-	1,166,988
Total investments	$ 2,723,381	$ -	$ -	$ 2,723,381

Note 4—Land, building, and equipment

The balances of the major classes of land, building, and equipment are as follows at June 30, 2022:

Land	$	290,001
Building and improvements		5,737,983
Furniture and equipment		749,821
Vehicles		86,427
Artwork		18,500
		6,882,732
Less accumulated depreciation		(2,631,527)
	$	4,251,205

Note 5—Accrued expenses

Employees of the Center are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation, but not for accumulated sick leave. Accordingly, vacation pay is accrued and recognized as an expense in the period earned by employees. Accrued vacation pay included in accrued expenses totaled $121,730 at June 30, 2022.

Note 6—Paycheck Protection Program (“PPP”) Grant

The Center received a PPP loan in the amount of $779,300. The PPP loan is granted by the Small Business Administration (“SBA”) under the CARES Act. PPP loans are considered conditional contributions under ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. The loan must be repaid if the Center does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. The Center had deferred recognition of grant revenue for the year ended June 30, 2021 because the conditions for forgiveness have not yet been substantially met. In August 2021, the PPP loan of $779,300, plus accrued interest, was fully forgiven by the SBA and was recognized within the statement of activities for the year ended June 30, 2022.

Note 7—Net assets with donor restrictions

Net assets with donor restrictions are available for the following purposes or periods at June 30, 2022:

Pledges	$	192

Note 8—Concentrations

The Center receives a substantial amount of its support from government grants and United Way. A significant reduction in the level of this support, if this were to occur, may have an adverse effect on the Center's programs and activities.

Financial instruments which potentially subject the Center to concentrations of credit risk consist of cash and cash equivalents. The Center places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts. The Center from time to time may have amounts on deposit in excess of the insured limits. The Center had cash and cash equivalent bank balances of $643,520 in excess of these insured limits at June 30, 2022.

Note 9—Employee benefit plan

The Center has a 401(k) retirement plan for administrative employees who have reached age 21 and have been employed for six months. The plan provides for discretionary employer-matching contributions. Employer-matching contributions totaled $26,372 for the year ended June 30, 2022.

Note 10—Contingencies

Federal Awards – Federal awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Center for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

SUPPLEMENTARY DATA

OASIS CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

Grant Description	Assistance Listing Number	Grantor's Number	Expenditures	Expenditures to Subrecipients
FEDERAL AWARDS				
U.S. Department of Health and Human Services				
Basic Center Grant	93.623	90CY7111	$ 202,458	$ -
Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless, and Street Youth	93.557	90YO2355	153,538	-
Passed through State of Tennessee Department of Mental Health & Substance Abuse Services				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DGA 65807_2020-2021_012	457,301	-
Passed through State of Tennessee Department of Children Services				
Affordable Care Act Personal Responsibility Education Program	93.092	Edison #65331	489,347	91,261
Passed through STARS Nashville				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	53,605	-
Total U.S. Department of Health and Human Services			1,356,249	91,261
U.S. Department of Housing and Urban Development				
Youth Homelessness Demonstration Program - Rapid Rehousing	14.276	TN0319Y4J041700	1,127,128	-
Youth Homelessness Demonstration Program - Diversion	14.276	TN0320Y4J041700	634,183	-
Total 14.276			1,761,311	-
Passed through Metro Development Housing Agency				
Emergency Solutions Grants Program	14.231	N/A	108,694	-
Passed through Metro Development Housing Agency				
Community Development Block Grants/Entitlement Grants	14.218	N/A	40,334	-
Total CDBG Entitlement Grants Cluster			40,334	-
Total U.S. Department of Housing and Urban Development			1,910,339	-

See accompanying notes to schedule of expenditures of federal awards.

Grant Description	Federal CFDA Number	Grantor's Number	Expenditures	Expenditures to Subrecipients
FEDERAL AWARDS (Continued)				
U.S. Department of Justice				
Passed through State of Tennessee Department of Finance and Administration				
Crime Victim Assistance	16.575	Edison #26775	$ 32,676	$ -
Passed through Vanderbilt University				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	UNIV59383	18,516	-
Total U.S. Department of Justice			51,192	-
U.S. Department of Education				
Passed through Tennessee Alliance for Children and Families				
Title I Grants to Local Educational Agencies	84.010	N/A	15,006	-
Total U.S. Department of Education			15,006	-
U.S. Department of Labor Employment and Training Administration				
Reentry Employment Opportunities	17.270	YE-32159-18-60-A-11	107,319	-
Total U.S. Department of Labor Employment and Training Administration			107,319	-
U.S. Department of Homeland Security				
Passed through Federal Emergency Management Agency				
Emergency Food and Shelter National Board Program	97.024	32-765200-017	12,784	-
Total U.S. Department of Homeland Security			12,784	-
Corporation for National and Community Service				
Passed through State of Tennessee, Volunteer Tennessee				
State Commissions	94.003	Edison #64737	7,516	-
Total Corporation for National and Community Service			7,516	-
Total Federal Awards			$ 3,460,405	$ 91,261

See accompanying notes to schedule of expenditures of federal awards.

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Oasis Center, Inc. (the "Center") under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Center.

Note 2—Summary of significant accounting policies

Basis of Accounting – Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – The Center expended indirect costs using a multiple-allocation base method and did not elect to use the 10% de minimis cost rate allowed under the Uniform Guidance.

Note 3—Noncash awards

The Center did not receive noncash federal awards during the year ended June 30, 2022.

Note 4—Contingencies

These programs are subject to financial and compliance audits by grantor agencies. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time, although the Center expects such amounts, if any, to be immaterial.

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Oasis Center, Inc.
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Oasis Center, Inc. (a nonprofit organization) (the "Center"), which comprise the statement of financial position as of June 30, 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, and we have issued our report thereon dated March 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Nashville, Tennessee
March 6, 2023

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Oasis Center, Inc.
Nashville, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Oasis Center, Inc.'s (the "Center") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2022. The Center's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Center's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Center's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Center's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Center's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Center's response to the internal control over compliance findings identified in our compliance audit described in the accompany schedule of findings and questioned costs. The Center's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Nashville, Tennessee
March 6, 2023

Section I – Summary of Audit Results

Financial Statement Section

Type of auditor's report issued on whether financial statements were prepared in accordance with U.S. GAAP:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	x	No
Significant deficiency(ies) identified		Yes	x	None Reported
Noncompliance material to financial statements noted		Yes	x	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	x	No
Significant deficiency(ies) identified	x	Yes		None Reported
Type of auditor's report on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	x	Yes		No

Identification of Major Programs

Name of Federal Program or Cluster	CFDA Number(s)
Youth Homelessness Demonstration Project	14.276

Dollar threshold used to distinguish between type A and type B programs	$750,000			
Auditee qualified as low-risk auditee?		Yes	x	No

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no findings required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Awards

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major programs, as required to be reported by 2 CFR 200.516(a).

Finding 2022-001 — Significant deficiency on internal controls over the Eligibility Requirement for the Youth Homelessness Demonstration Program Grant CFDA #14.276

Criteria: Internal controls should be in place which provide reasonable assurance that required eligibility was verified.

Condition: Files for 3 out of 40 participants selected for testing did not have an executed homeless verification form.

Cause: There are limited oversight controls over the eligibility procedures.

Effect: Participants could be participating in the program that could be ineligible.

Recommendation: The Center should put in controls to include oversight of eligibility procedures.

Management's Response: We agree with the finding.

Finding 2021-001 – Material Weakness over Cash Disbursements

Finding: Established controls related to cash disbursements including requirement of dual signatures on checks was not followed for the entire year. The accounts payable clerk was provided access to scanned signatures.

Status: The finding was corrected in the 2022 fiscal year.

Finding 2021-002 — Significant deficiency on internal controls over the Reporting Requirement for the Youth Homelessness Demonstration Program Grant CFDA #14.276

Finding: During the year ended June 30, 2021, the Center did not have controls in place to ensure timely and accurate financial and program reporting.

Status: The finding was corrected in the 2022 fiscal year.

oasis
YOUTH. COMMUNITY. ACTION.

MANAGEMENT'S CORRECTIVE ACTION PLAN

March 6, 2023

U.S. Department of Housing and Urban Development

Oasis Center, Inc. and Affiliate ("the Center") respectfully submits the following corrective action plan for the report dated March 6, 2023

Name and address of independent public accounting firm:
Cherry Bekaert, LLP
222 Second Avenue South #1240
Nashville, TN 37201

Audit period: July 1, 2021 – June 30, 2022

The findings from the June 30, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Section III - Findings and Questioned Costs – Major Federal Awards

Finding 2022-001 Significant deficiency on internal controls over the Eligibility Requirement for the Youth Homeless Demonstration Program Grant CFDA #14.276

2022-001 Recommendation: The Center should put in place controls to include oversight of eligibility procedures

Action Taken: We concur with the recommendation and will establish procedures to ensure controls are in place for determining eligibility requirement.

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Kim Reese, Chief Financial Officer, at 615-983-6857.

Sincerely,

Kim Reese, Chief Financial Officer

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NASHVILLE, TN 37203 | PHONE 615.327.4455 | FAX 615.329.1444