

**OASIS CENTER, INC.**

**FINANCIAL STATEMENTS**

*June 30, 2017*

*And Report of Independent Auditor*

**OASIS CENTER, INC.**

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**OASIS CENTER, INC.**  
**ROSTER OF BOARD OF DIRECTORS AND EXECUTIVE STAFF**  
**As of June 30, 2017**

**Board of Directors**

Norma Burgess	Chair
Jimmy Bynum	Vice Chair
Kendall Musgrove	Treasurer
Jenny Barker	Secretary
Sheryl Rimrodt-Frierson	Board Member
Charles H. Bell	Board Member
Fabian Bedne	Board Member
Kendra Brown	Board Member
Charles Robert Bone	Board Member
Laura Creekmore	Board Member
Collie Daily	Board Member
Richard Dinkins	Board Member
Sonnye Dixon	Board Member
Kent Earls	Board Member
Stephanie Ingram	Board Member
Dave Mazur	Board Member
Laura Proctor	Board Member
Bill Purcell	Board Member
Heather Steele	Board Member
Lavona Russell	Board Member
Sam Strang	Board Member
Sissy Wilson	Board Member
Brenda Wynn	Board Member

**Executive Staff**

Tom Ward	President and Chief Executive Officer
Kimberly Reese	Chief Financial Officer
Mark Dunkerley	Chief Strategy Officer
Judy Freudenthal	VP of Youth Engagement & Action and External Evaluation
Cheryl Mendez	VP of Clinical Services and Data Integrity
Shanda Hampton	VP of Human Resources

## REPORT OF INDEPENDENT AUDITOR

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Oasis Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility 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; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oasis Center, Inc. as of June 30, 2017, 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.

## **Other Matters**

### ***Other 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2018, on our consideration of Oasis Center, Inc.'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 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 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 Oasis Center, Inc.'s internal control over financial reporting and compliance.

*Cheng Bekant LLP*

Nashville, Tennessee  
January 22, 2018

**OASIS CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2017**

**Assets**

Current assets:

Cash and cash equivalents (including \$28,745 at June 30, 2017 restricted for capital campaign)	\$ 381,547
Receivable from grantor agencies	269,507
Other receivables	129,041
Unconditional promises to give, net	9,667
Other assets	<u>43,778</u>

Total current assets	833,540
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Investments	2,061,976
Land, building and equipment, net	<u>4,331,518</u>

Total assets	<u><u>\$ 7,227,034</u></u>
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**Liabilities and Net Assets**

Current liabilities:

Accounts payable	\$ 93,591
Accrued expenses	<u>163,802</u>

Total current liabilities	<u>257,393</u>
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Net assets:

Unrestricted	6,935,184
Temporarily restricted	<u>34,457</u>

Total net assets	<u>6,969,641</u>
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Total liabilities and net assets	<u><u>\$ 7,227,034</u></u>
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See accompanying notes.

**OASIS CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and other support:			
Government grants	\$ 2,144,717	\$ -	\$ 2,144,717
Contributions	1,338,216	-	1,338,216
Other grants	486,465	-	486,465
United Way	406,564	-	406,564
Special event revenue	247,804	-	247,804
Other	92,955	-	92,955
Investment gain	81,689	-	81,689
Program fees and other	45,554	-	45,554
Net assets released from restrictions	31,408	(31,408)	-
Total revenue and other support	<u>4,875,372</u>	<u>(31,408)</u>	<u>4,843,964</u>
Expenses:			
Program services:			
Residential and crisis services	972,484	-	972,484
Statewide TOP	648,057	-	648,057
Transitions initiative	576,617	-	576,617
Youth action services	548,204	-	548,204
Youth engagement services	524,464	-	524,464
College connection	372,417	-	372,417
Counseling services	268,675	-	268,675
Total program services	<u>3,910,918</u>	<u>-</u>	<u>3,910,918</u>
Support services:			
Management and general	568,843	-	568,843
Fundraising	448,570	-	448,570
Total support services	<u>1,017,413</u>	<u>-</u>	<u>1,017,413</u>
Total expenses	<u>4,928,331</u>	<u>-</u>	<u>4,928,331</u>
Change in net assets	(52,959)	(31,408)	(84,367)
Net assets, beginning of year	<u>6,988,143</u>	<u>65,865</u>	<u>7,054,008</u>
Net assets, end of year	<u>\$ 6,935,184</u>	<u>\$ 34,457</u>	<u>\$ 6,969,641</u>

See accompanying notes.

**OASIS CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2017**

	Program Services							Support Services			TOTAL EXPENSES	
	Residential and Crisis Services	Youth Engagement Services	Youth Action Services	Counseling Services	College Connection	Statewide TOP	Transitions Initiative	TOTAL PROGRAM SERVICES	Management and General	Fundraising		TOTAL SUPPORT SERVICES
Salaries	\$ 660,688	\$ 303,813	\$ 324,123	\$ 194,307	\$ 283,648	\$ 265,159	\$ 346,043	\$ 2,377,781	\$ 397,595	\$ 288,843	\$ 686,438	\$ 3,064,219
Fringe benefits	105,417	57,934	62,066	38,711	47,826	44,692	54,943	411,589	57,215	51,166	108,381	519,970
Professional fees	32,985	11,539	15,022	5,177	5,143	54,485	8,973	133,324	55,032	3,028	58,060	191,384
Depreciation	60,337	34,013	24,789	11,333	8,784	8,203	13,822	161,281	10,821	7,826	18,647	179,928
Specific assistance	18,479	32,244	14,751	881	2,131	15,427	94,068	177,981	-	425	425	178,406
Grants and subcontracts	-	-	-	-	-	146,297	-	146,297	-	-	-	146,297
Supplies	32,537	15,967	27,666	1,017	4,796	8,329	14,676	104,988	18,274	5,207	23,481	128,469
Utilities	20,911	18,442	15,939	7,214	4,108	4,108	7,521	78,243	7,828	4,108	11,936	90,179
Conferences and meetings	753	5,298	32,469	3,387	595	41,152	2,123	85,777	1,183	619	1,802	87,579
Communications	8,064	5,640	14,372	2,362	5,415	22,927	11,911	70,691	5,447	10,136	15,583	86,274
Travel	2,735	4,959	7,933	-	4,056	30,349	7,804	57,836	896	1,808	2,704	60,540
Special events	-	-	-	-	-	-	-	-	-	59,368	59,368	59,368
Insurance	8,705	12,196	3,068	1,690	1,704	1,229	2,136	30,728	5,299	1,618	6,917	37,645
Maintenance	11,790	6,266	4,002	1,843	1,201	1,179	2,153	28,434	2,711	2,178	4,889	33,323
Equipment	5,022	14,384	1,440	631	2,736	1,342	1,615	27,170	3,664	1,285	4,949	32,119
Miscellaneous	4,061	1,769	564	122	274	3,179	8,829	18,798	2,878	9,884	12,762	31,560
Volunteer activities	-	-	-	-	-	-	-	-	-	1,071	1,071	1,071
	<u>\$ 972,484</u>	<u>\$ 524,464</u>	<u>\$ 548,204</u>	<u>\$ 268,675</u>	<u>\$ 372,417</u>	<u>\$ 648,057</u>	<u>\$ 576,617</u>	<u>\$ 3,910,918</u>	<u>\$ 568,843</u>	<u>\$ 448,570</u>	<u>\$ 1,017,413</u>	<u>\$ 4,928,331</u>

See accompanying notes.



**OASIS CENTER, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2017**

Cash flows from operating activities:	
Change in net assets	\$ (84,367)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	179,928
Unrealized gain on investments	(23,966)
Change in operating assets and liabilities:	
Receivable from grantor agencies	100,375
Other receivables	(25,253)
Unconditional promises to give	24,967
Other assets	(27,471)
Accounts payable	(58,266)
Accrued expenses	43,661
	<hr/>
Net cash provided by operating activities	129,608
	<hr/>
Cash flows from investing activities:	
Purchases of investments	(1,046,778)
Sales of investments	1,008,280
Purchase of fixed assets	(12,778)
	<hr/>
Net cash used in investing activities	(51,276)
	<hr/>
Cash flows from financing activities:	
Contributions restricted for investment in land, building and equipment	10,000
	<hr/>
Net cash provided by financing activities	10,000
	<hr/>
Net increase in cash and cash equivalents	88,332
Cash and cash equivalents, beginning of year	293,215
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Cash and cash equivalents, end of year	\$ 381,547
	<hr/> <hr/>

See accompanying notes.

**OASIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 1 – NATURE OF ACTIVITIES AND 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.

The following program services are provided by the Center:

*Residential and Crisis Services* – provide 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 – 17 years old and Street Outreach and Drop In Center for homeless youth ages 18 – 22 years old.

*Statewide TOP®* – provides training and support to Tennessee congregate care staff in the implementation of the Teen Outreach Program (“TOP®”) to decrease pregnancy and increase life skills among Tennessee foster youth living in congregate care settings.

*Transitions Initiative* – provides workforce development and job preparedness training for low-income and at-risk youth, ages 14-24 years old. Staff engage youth in a three-phase career development process that includes self-exploration, career exploration, career planning and management.

*Youth Action Services* – help youth develop life skills and work on systemic issues they deem critical to their lives and to other youth in the community. Youth take responsibility for creating change on these issues. Youth Action Services include Oasis Youth Council, Community Nashville’s Building Bridges, Just Us, and the Mayor’s Youth Council.

*Youth Engagement Services* – engage youth and focuses primarily on the development of individual identities and group connections. The strategies for this work are service and service learning as tools to build relationships. These services include the Teen Outreach program, R.E.A.L., and the Oasis Bike Workshop.

*College Connection* – a 100% mobile college counseling program providing admissions and financial aid expertise, college resources, and assistance to students to find their most appropriate “fit” in order to be successful.

*Counseling Services* – family, individual and group counseling designed to bring hope and healing for teens and families; build stronger, healthier relationships; discover personal strengths and resources; and find solutions that nurture ongoing positive growth. These services include counseling, community education and therapeutic groups.

**OASIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2017**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**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. 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:

**Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time.

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center. Generally, donors of these assets may permit the Center to use all or part of the income earned for general or specific purposes. The Center currently has no permanently restricted net assets.

**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 temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements 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.

**Investments and Fair Value Measurements**

Investments in money market accounts, certificates of deposit, mutual funds and equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, with unrealized gains and losses recognized currently in the statements of activities.

**OASIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2017**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Investments and Fair Value Measurements (Continued)**

The Center has an established process for determining fair value. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently-sourced market data and third party information. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Generally accepted accounting principles have a three-level valuation hierarchy for fair value measurements. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels are explained as follows:

*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.

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.

A description of the valuation methodologies used for instruments measured at fair value as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. In general, fair value is based on quoted market prices, where available. If such quoted market prices are not available, fair value is based on internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and valuation adjustments are applied consistently over time. The Center's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

**OASIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2017**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Investments and Fair Value Measurements (Continued)**

Fair values for investments in money market accounts and mutual funds are valued at the net asset value of shares held by the Center at year end. Fair values for investments in equities are valued at the closing price reported on the active market on which the securities are traded.

**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 three to thirty 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 \$500 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.

**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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**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.

**OASIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2017**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Income Taxes (Continued)**

The Center follows Financial Accounting Standards Board Accounting Standards Codification 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 fifty percent 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 January 22, 2018, 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.

**NOTE 2 – UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consist of the following at June 30, 2017:

Capital campaign contributions, net of discount	\$ <u>9,667</u>
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**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, 2017:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments:				
Money market accounts	\$ 140,392	\$ -	\$ -	\$ 140,392
Equities:				
Financial	217,502	-	-	217,502
Consumer goods	171,998	-	-	171,998
Technology	162,271	-	-	162,271
Utilities	107,021	-	-	107,021
Basic materials	89,129	-	-	89,129
Healthcare	85,734	-	-	85,734
Services	73,142	-	-	73,142

**OASIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2017**

**NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities (continued):				
Industrial goods	54,375	-	-	54,375
Total equities	<u>961,172</u>	<u>-</u>	<u>-</u>	<u>961,172</u>
Mutual funds:				
Mid-cap blend	257,534	-	-	257,534
Intermediate-term bond	189,428	-	-	189,428
Small blend	128,085	-	-	128,085
Other	100,490	-	-	100,490
Foreign large blend	88,476	-	-	88,476
Diversified emerging markets	65,083	-	-	65,083
Emerging markets bond	50,723	-	-	50,723
Corporate bond	42,781	-	-	42,781
Intermediate government bond	37,812	-	-	37,812
Total mutual funds	<u>960,412</u>	<u>-</u>	<u>-</u>	<u>960,412</u>
Total investments	<u>\$ 2,061,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,061,976</u>

**NOTE 4 – LAND, BUILDING AND EQUIPMENT**

The balances of the major classes of land, building and equipment are as follows at June 30, 2017:

Land	\$ 290,000
Building, improvements and leaseholds	5,105,240
Equipment	507,827
Vehicles	86,427
Artwork	<u>18,500</u>
	6,007,994
Less: accumulated depreciation	<u>(1,676,476)</u>
	<u>\$ 4,331,518</u>

**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 \$99,177 at June 30, 2017.

**OASIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2017**

**NOTE 6 – RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods at June 30, 2017:

Capital campaign contributions, net	<u>\$ 34,457</u>
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**NOTE 7 – 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. In addition, the funding received by the Center from governmental agencies is subject to audit and retroactive adjustment.

The Center may at times have cash amounts at financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation. The Center has not experienced any losses in such accounts.

**NOTE 8 – 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 \$39,171 for the year ended June 30, 2017.



## **SUPPLEMENTARY DATA**

**OASIS CENTER, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2017**

Grant Description	Federal CFDA Number	Grantor's Number	Grant Period	Expenditures	Expenditures to Subrecipients
<b>FEDERAL AWARDS</b>					
<u>U.S. Department of Health and Human Services</u>					
Runaway and Homeless Youth Program Basic Shelter	93.623	90-CY6584/03	9/30/15-9/29/16	\$ 49,794	\$ -
Runaway and Homeless Youth Program Basic Shelter	93.623	90-CY6847/01	9/30/16-9/29/17	150,000	-
Total 93.623				199,794	-
Education and Prevention Grants to Reduce Sexual Abuse of Runaway Homeless and Street Youth	93.557	90-YO2178/03	9/30/15-9/29/16	42,152	-
Education and Prevention Grants to Reduce Sexual Abuse of Runaway Homeless and Street Youth	93.557	90-YO2267/01	9/30/16-9/29/17	125,532	-
Total 93.557				167,684	-
<i>Passed through State of Tennessee Department of Mental Health &amp; Substance Abuse Services</i>					
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DGA 49113_2016-2017_013	7/1/16-6/30/17	350,000	-
<i>Passed through State of Tennessee Department of Children Services</i>					
Affordable Care Act Personal Responsibility Education Program	93.092+	Edison #44265	7/1/16-6/30/17	694,821	146,297
Total U.S. Department of Health and Human Services				1,412,299	146,297
<u>U.S. Department of Housing and Urban Development</u>					
<i>Passed through Tennessee Housing Development Agency</i>					
Emergency Solutions Grants Program	14.231	Edison #49103	7/1/16-6/30/17	65,517	-
<i>Passed through Metro Housing Development Agency</i>					
Emergency Solutions Grants Program	14.231	N/A	7/1/16-6/30/17	18,000	-
Total 14.231				83,517	-
<i>Passed through Metro Housing Development Agency</i>					
Community Development Block Grants/Entitlement Grants	14.218	N/A	6/1/16-7/31/16	32,500	-
Total U.S. Department of Housing and Urban Development				116,017	-
<u>U.S. Department of Justice</u>					
<i>Passed through State of Tennessee Department of Finance and Administration</i>					
Crime Victim Assistance	16.575	Edison #26775	7/1/16-6/30/17	32,676	-
Crime Victim Assistance	16.575	Edison #29511	10/15/16-6/30/18	7,458	-
Total 16.575				40,134	-

See accompanying notes to schedule of expenditures of federal awards.

**OASIS CENTER, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**For the Year Ended June 30, 2017**

Grant Description	Federal CFDA Number	Grantor's Number	Grant Period	Expenditures	Expenditures to Subrecipients
<b>FEDERAL AWARDS (Continued)</b>					
<u>U.S. Department of Justice (Continued)</u>					
<i>Passed through Vanderbilt University</i>					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	UNIV59383	3/3/17-12/31/21	23,413	-
Total U.S. Department of Justice				63,547	-
<u>U.S. Department of Education</u>					
<i>Passed through Tennessee Alliance for Children and Families</i>					
Title I Grants to Local Educational Agencies	84.010	N/A	10/1/15-9/30/16	5,370	-
Title I Grants to Local Educational Agencies	84.010	N/A	10/1/16-9/30/17	18,841	-
Total U.S. Department of Education				24,211	-
<u>U.S. Department of Labor Employment and Training Administration</u>					
Face Forward 3-Intermediary and Community Grants	17.270	YF-27299-15-60-A-47	7/1/15-9/30/18	285,075	-
<i>Passed through Institute for Educational Leadership's Center for Workforce Development</i>					
Reintegration of Ex-Offenders	17.270	PE-24410-13-60-A-11	10/1/16-9/30/17	159,670	-
Total 17.270				444,745	-
<i>Passed through Nashville Career Advancement Center</i>					
WIA/WIOA Youth Activities	17.259	344598	7/1/16-6/30/17	71,977	-
Total U.S. Department of Labor Employment and Training Administration				516,722	-
<u>U.S. Department of Homeland Security</u>					
<i>Passed through Federal Emergency Management Agency</i>					
Emergency Food and Shelter National Board Program	97.024	32-765200-016	12/1/15-3/31/17	11,921	-
Total U.S. Department of Homeland Security				11,921	-
Total Federal Awards				\$ 2,144,717	\$ 146,297

+ Indicates a major program

See accompanying notes to schedule of expenditures of federal awards.

**OASIS CENTER, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2017**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Oasis Center, Inc. under programs of the federal government for the year ended June 30, 2017. 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 Oasis Center, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Oasis Center, Inc.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Oasis Center, Inc. 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.

**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 of  
Oasis Center, Inc.  
Nashville, Tennessee

We have audited, 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, the financial statements of Oasis Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, 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 have issued our report thereon dated January 22, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Oasis Center, Inc.'s internal control over financial reporting ("internal control") to determine the 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 Oasis Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Oasis Center Inc.'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 entity'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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Oasis Center, Inc.'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 determination of financial statement amounts. 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oasis Center, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekant LLP

Nashville, Tennessee  
January 22, 2018

**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 of  
Oasis Center, Inc.  
Nashville, Tennessee

**Report on Compliance for Each Major Federal Program**

We have audited Oasis Center, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Oasis Center, Inc.'s major federal programs for the year ended June 30, 2017. Oasis Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Oasis Center, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Oasis Center, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Oasis Center Inc.'s compliance.

***Opinion on Each Major Federal Program***

In our opinion, Oasis Center, Inc. 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, 2017.

### **Report on Internal Control Over Compliance**

Management of Oasis Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Oasis Center Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Oasis Center Inc.'s internal control over compliance.

*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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekant LLP*

Nashville, Tennessee  
January 22, 2018



**OASIS CENTER, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2017**

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Oasis Center, Inc. were prepared in accordance with accounting principles generally accepted in the United States of America.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Oasis Center, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit
4. No material weaknesses or significant deficiencies relating to the audit of major federal award programs are reported in the Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Oasis Center, Inc. expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with the 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as a major program includes:

**CFDA Number**  
93.092

**Name of Federal Program or Cluster**  
Affordable Care Act Personal Responsibility  
Education Program

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Oasis Center, Inc. was determined to be a low-risk auditee.

**OASIS CENTER, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**For the Year Ended June 30, 2017**

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

**NONE**

**OASIS CENTER, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**For the Year Ended June 30, 2017**

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD  
PROGRAMS AUDIT**

**NONE**

**OASIS CENTER, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended June 30, 2017**

**DEPARTMENT OF CHILDREN'S SERVICES**

Affordable Care Act Personal Responsibility Education Program  
CFDA 93.092; Grant period – year ended June 30, 2016

**FINDING 2016-1**

*Condition:* The Committee of Sponsoring Organizations (“COSO”) framework for effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the Organization’s audited financial statements. While the Center has an effective accounting department, the Center currently does not have a certified public accountant or individual with similar experience on staff. In addition, audit adjusting entries were required during the audit.

*Recommendation:* We recommend that management continue to evaluate the cost/benefit of engaging the resources in house to interpret GAAP and prepare its financial statements including disclosures. We also recommend that the year-end closing process be enhanced to eliminate the need for audit adjusting entries.

*Current Status:* The Chief Financial Officer is experienced in her position and has been with the Organization for many years. Also, there were no material adjusting journal entries for the current year. This finding is considered resolved.