

SOCIAL AND VOLUNTARY SERVICES COMMISSION FUNDING REQUEST

Legal Name of Agency: **Food and Shelter**

Mailing Address: **P.O. Box 5537 Norman, Oklahoma 73070**

Application completed by: **April Doshier**

Telephone Number: **(405) 360-4954**

Email Address: **adoshier@foodandshelterinc.org**

Amount of Funding Request: \$27,500 (\$15,000 housing/\$12,500 Winter Shelter)

In what year was your Agency incorporated: **1983**

Are you associated with a national organization: **No**

Number of volunteers: **515**

How many hours do volunteers donate: **11,000**

How much money do volunteers save the agency: **\$79,750 per year**

Has your Agency applied for SVSC funds before: **Yes**

Year	2012	Amount	\$25,000.00	Purpose	Shelter Programs
Year	2011	Amount	\$15,000.00	Purpose	Shelter Programs
Year	2010	Amount	\$4,500.00	Purpose	Tables and Mats
Year	2009	Amount	\$5,000.00	Purpose	Improvements to "free store" clothing & household item give distribution center
Year	2008	Amount	\$3,300.00	Purpose	Prevention Staff salaries
Year	2007	Amount	\$1,700.00	Purpose	Equipment & Bike Program
Year	2006	Amount	\$1,000.00	Purpose	Bicycle locks/helmets
Year	2005	Amount	\$1,000.00	Purpose	Bicycle locks & helmets
Year	2004	Amount	0	Purpose	
Year	2003	Amount	\$1,000.00	Purpose	Van Fuel & Maintenance
Year	2002	Amount	\$1,000.00	Purpose	Van Fuel & Maintenance
Year	2001	Amount	\$1,500.00	Purpose	Van Fuel & Maintenance

Financial Information from the last fiscal year:

Percent of the budget which is spent on fund-raising:	2%
Percent of your budget spent on programs:	86%
Percent of your budget spent on administrative expenses:	12%

Percentage of Organizational funding:

Religious Organizations	3%
Civic Clubs	5%
Corporate Donors	0%
Endowment/Interest Income	1%
Fees for services/products	0%
Government Grants	35%
Government Contracts	0%
Individual Donors	36%
Private Foundations	2%
Special Events (based on net earnings)	7%
United Way	11%
Other	_____

Overall Mission of Agency

Please provide a one page narrative in 10 or 12 point type describing the mission of your agency. List the client population (income, age, geographic location – percentage of City of Norman residents) and describe all programs and services offered currently by your agency. Include any duplication of services in our area and the percentage increase or decrease projected in staff numbers over previous year.

Specific project for which funding is being requested

Please provide a one page narrative in 10 or 12 point type describing the project for which funds are requested including staff positions, salaries, equipment, office supplies and other expenses. Please address what similar services are available through other local agencies, why this program is unique, how many will benefit and why it would be appropriate for City of Norman funds to be used to support this program.

Financial Information

Please provide a description of internal financial evaluation procedures, control processes and performance review procedure including the percentage increase or decrease of total budget over previous fiscal year budget. Attach previous year budget summary and projected budget to include in kind contributions and budget assumptions. An independent audit (not an internal audit) is required for any organization that has assets, an annual budget or annual income of \$100,000 or more. For an organization below the \$100,000 level, if no audit is available, so state and provide a signed financial statement (signature of the Board Treasurer or the organizations' chief financial officer) for the most recent fiscal year.

Required Attachments to this application:

Narrative describing Overall Mission of Agency

Narrative describing Specific Project for which Funding is being requested

Financial Information as previously outlined

Budget summary and projected budget

Copy of most recent Audit

Copy of IRS tax exempt status letter or your application for tax exempt status

List of current board members including names and professions

List of current staff members and their position titles



Food and Shelter

The first step in the journey toward hope starts with Food and Shelter

Social and Voluntary Services Commission

Mission~ For over 30 years, Food and Shelter has been feeding women, children and men who are hungry and housing families in crisis. Food and Shelter are core components of our services and something we believe to be basic human rights of every individual in our community. We serve the most indigent residents of our community most of which live on no income or are extremely below the poverty line relying on disability income. For all of our services, 95% or more of our guests are Norman residents.

Our food program is second to none in Norman. We are the only open food service program serving anyone who is hungry. Hundreds of women, children and men rely on Food and Shelter for their daily nutrition. We serve breakfast and lunch 7 days per week, having added Sunday to our service this year. On average we serve 250 meals per day to 190 people per day. In 2012, we served over 72,000 meals. On top of this, we provide food baskets to hungry families who may have to choose between buying food and paying rent. We distribute 10 to 12 food boxes per week totaling over 600 boxes of food per year.

The Shelter component of Food and Shelter is a multi-faceted program; we provide short term, long-term and supportive housing for homeless individuals and families. All shelter residents are at or below the poverty line; most of which have no income when they move into our shelter. We own and operate a supportive housing program where families with children can live for up to 2 years with the care and support of a case manager to empower and encourage them to build stronger, healthier families. Because we do not have facilities for emergency shelter, we provide homeless individuals and families emergency placement through motel stays. This year we are expanding our family housing program by 4 units and will be better suited to support larger families.

Food and Shelter also provides housing assistance to the working poor in order to prevent homelessness in Norman. This program helped nearly over 160 families last year. Because funding available in our community for prevention activities continues to diminish, we expect the demand on our housing program to continue to increase for the next few years.

We operate a day center for homeless individuals and families to have a place to be out of the elements with shower and laundry services, and a mail service available to those who lack a permanent address. We offer transportation assistance helping Norman residents access CART passes but also purchase gas vouchers and bus tickets for people who need to get to important appointments in Oklahoma City.

In 2012, we responded to a plea from our residents and guests to offer more jobs orientation and skills training. START, standing for Skills, Training and Resources for Tomorrow, offers job skills, life skills, financial management and more. We understand our vision to eliminate and reduce the trauma of homelessness cannot come without the added components necessary to move people forward in life. This is a community effort coordinated and taught by volunteers in our community including a partnership with Moore Norman Technology Center.

We consider our place in the community to be a centralized location for the homeless in Norman to go when they are in need. We partner with and support other service providers in Norman and are often looked to as the lead agency in many projects. For so many individuals and families searching for their way back home, the first step in this journey begins at Food and Shelter.



Food and Shelter *the first step in the journey toward hope starts with Food and Shelter.*

Social and Voluntary Services Commission

Project~ Home is not an intangible concept. Home means something very concrete to each of us; safety, comfort, bedroom, family. Home is something that should be available to every woman, child and man in Norman. Yet, on any given day, over 1,300 families are at risk for homelessness because they live at the mercy of a family member or friend who offers a couch, floor or spare bedroom.

When families become homeless, finding available emergency shelter is nearly impossible. With only one family unit available at Norman's emergency shelter, Food and Shelter has to work creatively in offering housing solutions for homeless families. Because the issues these families face are often multi-faceted, Food and Shelter thoroughly assesses the needs of the entire family and works to create long-term solutions for permanent success.

Last year, the Social and Voluntary Services Commission provided significant support for our shelter program in the amount of \$15,000. This year, we are asking you to support the same program as it is evident the need has not diminished.

\$15,000 in support from the SVSC Commission will support both short-term and long-term supportive housing. Funds will directly pay the utility and operational costs of the shelter units in the amount of \$7,500 as well as the most important aspect; case management in the amount of \$7,500. It is important to note, we are in the process of expanding our housing program to include 4 new units to better meet the needs of our community.

Each resident, whether we shelter them for one week or 2 years, is assigned a case manager who helps them assess the needs of each individual/family. This case manager, hand-in-hand with the resident, builds a case plan to help build independent, successful individuals and families and links the resident with resources to overcome obstacles and achieve goals. It is the wrap-around services we provide to each individual and family that makes our program different from other shelter programs in the community.

Salvation Army has one shelter room available for families, yet the need is so much greater. East Main Place and Community Action both provide transitional housing however, the extensive nature of our services makes us exceptional at what we do. In 2012, we started a new program as a direct result of town-hall style meetings we had with our residents and guests. This new program is aimed at employment readiness and placement. This year, we have expanded our skills training to include financial management and other important life skills necessary for creating a stable family in the long-term.

In 2012, we sheltered 19 families in long-term shelter and 137 households in short-term shelter. We know the issue of homelessness is not going away. Housing costs are going up often resulting in households being severely rent-burdened. A single mother, with two children, must work two full-time minimum wage jobs to afford a two bedroom apartment in Norman. This creates instability in so many ways leading to more at-risk families. This is the exact situation we plan to correct within our housing program offering long-term solutions, job skills and placement and more. The total cost of our expanded housing program will reach \$119,000 next year. We need your continued support to be able to meet the needs of Norman's most vulnerable families.



Food and Shelter

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Social and Voluntary Services Commission

Project~ “Though 45° isn’t below freezing, you have no idea how long it takes your body to warm up after spending ten to twelve hours outside in the cold.” Humbling words spoken from a man desperate for a place to get warm this last January.

For the last two winters, Food and Shelter has offered our dining room as a warming station for men and women living on the streets of Norman. Last year, on the mild nights, we sheltered 35 to 40. When temperatures really dropped, we had anywhere from 75 to 80 lining up at the door. This year, we understand the need for more space and are looking at alternative sites to host this shelter. It will be a simple operation available to those who have nowhere else to go. Even when Salvation Army, the only other option for homeless women and men, opens their doors in the winter, there are a number of men and women who cannot or will not go to Salvation Army. Though last winter was mild, there were many nights where the winter was miserable for anyone sleeping outside. We want to be prepared.

The shelter costs are minimal. We request \$10,000 from the Social and Voluntary Services Commission to support night monitor salaries and an additional \$2,500 to lease and operate an external facility for the winter shelter. The additional insurance and supplies will be provided by Food and Shelter. We plan to offer this service beginning November 1, 2013 through the end of February 2014. This will be 17 weeks of shelter or 120 nights of shelter. This averages to be \$104 per night. We estimate we will benefit 100 women and men throughout this time period averaging 50 per night. An investment of \$2 per night per person can make such a huge difference in the lives of the women and men struggling on the streets of Norman.



Food and Shelter

the first step in the journey toward hope starts with Food and Shelter

Social and Voluntary Services Commission

Financial Information~ We take our obligations to be good financial stewards very seriously. We have a multiple phase evaluation process that includes staff, administration and board leadership. On a monthly basis, our financial staff member runs reports through our accounting system and balances the deposits against our manual accounting log. She also assures the expenses were categorized accurately. Once she feels the information is a valid representation of our financial position, she passes the reports on to the Executive Director who thoroughly evaluates the finances to report to the executive committee of the board of directors. This includes a budget to income comparison to evaluate how well we are staying within our budgeted categories. Along with this, our Board Treasurer uses this and additional information to craft a report to share with the full board of directors. A full discussion of our financial position takes place during board meetings and the board votes to approve the financials on a monthly basis.

Our controls to protect incoming money are validated annually by an external auditing firm. We have a three-way control on all funds coming into the agency. Our receptionist opens mail and records checks and cash on a manual recording log. This is passed on to the Director of Operations who accounts for these contributions in our accounting system and prepares a deposit which is then taken to the bank by the Executive Director. Once the deposit is made, it is reconciled with the manual contributions log by the receptionist. Additionally, our Board Treasurer is responsible for reconciling our bank accounts each month.

All staff members are evaluated for performance on an annual basis. The Executive Director evaluates all staff members and the Board of Directors evaluates the Executive Director.

Enclosed is our budget summary from last year as well as our proposed budget for our new year. This includes an assumption of funding from Sarkeys Foundation and the continuation of a private foundation as well as our EFSP/FEMA dollars for shelter services.

Regarding our budget summary from 2012, it appears as though we ended our year with a large cash balance, however, \$45,000 of the funds were deposited at the end of the year in preparation for our housing expansion that will happen in 2013. Additionally, a deposit just under \$20,000 was made at the end of 2012 for program expenditures that would not be made until the first quarter of 2013.

Food and Shelter, Inc.
Profit & Loss Budget Overview
 January through December 2012

	Jan - Dec 12
Ordinary Income/Expense	
Income	
40100 · CONTRIBUTIONS	
40100.1 · UNITED WAY	72,825.00
40100.3 · SPECIAL EVENTS REVENUE	52,000.00
40101.1 · Individual Contributions	135,000.00
40101.2 · Board Contributions	5,000.00
40101.3 · FOUNDATIONS	20,000.00
40101.4 · SUE WILSON FUND	10,000.00
40101.6 · NORMAN MISSION MINISTRIES	22,000.00
Total 40100 · CONTRIBUTIONS	316,825.00
40105 · GOVERNMENT GRANTS	
40105.1 · CITY OF NORMAN	70,000.00
40105.2 · CDBG	10,000.00
40105.3 · CONTINUUM OF CARE	
40105.4 · SHP01	23,000.00
40105.5 · SHP02	15,000.00
40105.6 · SHP03	13,000.00
40105.3 · CONTINUUM OF CARE - Other	51,337.00
Total 40105.3 · CONTINUUM OF CARE	102,337.00
40105.7 · EFSP (FEMA)	15,000.00
40105.8 · SVSC	18,500.00
Total 40105 · GOVERNMENT GRANTS	215,837.00
40300 · INTEREST INCOME	550.00
41100 · MISCELLANEOUS INCOME	1,500.00
Total Income	534,712.00
Expense	
50200 · DIRECT ASSISTANCE	100,000.00
50201 · MEAL SUPPORT	
50201.1 · FOOD	6,000.00
50201.2 · KITCHEN SUPPLIES	12,000.00
50201.3 · MAINT&REP-KITCHEN	4,500.00
Total 50201 · MEAL SUPPORT	22,500.00
50202 · TRANSPORTATION SUPPORT	6,500.00
50500 · PERSONNEL COSTS	
50700 · SALARIES AND WAGES	245,338.00
Total 50500 · PERSONNEL COSTS	245,338.00
50900 · EMPLOYEE BENEFITS	
50900.1 · DENTAL INSURANCE	2,600.00
50900.2 · HEALTH INSURANCE	30,625.00
50900.3 · UNEMPLOY. INSURANCE	7,500.00
Total 50900 · EMPLOYEE BENEFITS	40,725.00
51000 · PAYROLL TAXES	18,500.00
51100 · PROFESSIONAL FEES	
51102 · ACCOUNTING FEES	10,100.00
51109 · CONTRACT LABOR	11,500.00

Food and Shelter, Inc.
Profit & Loss Budget Overview
 January through December 2012

	Jan - Dec 12
Total 51100 · PROFESSIONAL FEES	21,600.00
51301 · SUPPLIES	7,000.00
51302 · DUES/SUBSCRIPTIONS	720.00
51304 · POSTAGE/SHIPPING	3,000.00
51305 · RENTAL/EQUIPMENT MAINTENANCE	5,000.00
51307 · SERVICE/FINANCE CHARGES	500.00
51308 · UTILITIES	30,000.00
51600 · FACILITY MAINTENANCE	4,000.00
51900 · CONF & TRAINING	
51901 · EMPLOYEE TRAINING	1,500.00
Total 51900 · CONF & TRAINING	1,500.00
52300 · INSURANCE	
52301 · AGENCY UMBRELLA PACKAGE	17,600.00
52302 · WORKER'S COMPENSATION	3,400.00
52300 · INSURANCE - Other	0.00
Total 52300 · INSURANCE	21,000.00
52402 · FUNDRAISING	6,000.00
52499 · MISC EXPENSES	550.00
Total Expense	534,433.00
Net Ordinary Income	279.00
Net Income	279.00

Food and Shelter, Inc.
Budget Overview
January through December 2014

Emergency Shelter Program

Jan - Dec 14

Ordinary Income/Expense

Income

40100 · CONTRIBUTIONS

40100.1 · UNITED WAY

40100.3 · SPECIAL EVENTS REVENUE

0.00

40101.1 · Individual Contributions

15,000.00

Discretionary Funds

40101.2 · Board Contributions

0.00

40101.3 · FOUNDATIONS

10,000.00

40101.4 · Sarkeys Foundation

50,000.00

Proposed Grant Assumption

40101.6 · NORMAN MISSION MINISTRIES

0.00

Total 40100 · CONTRIBUTIONS

75,000.00

40105 · GOVERNMENT GRANTS

40105.1 · ESG-City of Norman

20,000.00

Case Management

40105.2 · CDBG

0.00

40105.3 · CONTINUUM OF CARE

40105.4 · SHP01

0.00

40105.5 · SHP02

0.00

40105.6 · SHP03

0.00

40105.7 SHP04

0.00

40105.3 · CONTINUUM OF CARE - Other

0.00

Total 40105.3 · CONTINUUM OF CARE

0.00

40105.7 · EFSP (FEMA)

10,000.00

Motel Vouchers

40105.8 · SVSC

15,000.00

Shelter Operations

Total 40105 · GOVERNMENT GRANTS

45,000.00

40300 · INTEREST INCOME

0.00

41100 · MISCELLANEOUS INCOME

0.00

Total Income

120,000.00

Expense

Food and Shelter, Inc.
Budget Overview
 January through December 2014

Emergency Shelter Program

50200 · DIRECT ASSISTANCE

85,000.00

Motel Vouchers

Emergency Placement

50201 · MEAL SUPPORT

50201.1 · FOOD

50201.2 · KITCHEN SUPPLIES

50201.3 · MAINT&REP-KITCHEN

Total 50201 · MEAL SUPPORT

0.00

50202 · TRANSPORTATION SUPPORT

50500 · PERSONNEL COSTS

50700 · SALARIES AND WAGES

20,000.00

Total 50500 · PERSONNEL COSTS

20,000.00

50900 · EMPLOYEE BENEFITS

50900.1 · DENTAL INSURANCE

180.00

50900.2 · HEALTH INSURANCE

1,500.00

50900.2.1 Vision Insurance

150.00

50900.3 · UNEMPLOY. INSURANCE

500.00

Total 50900 · EMPLOYEE BENEFITS

2,330.00

Portion of Case Mgt Expense

51000 · PAYROLL TAXES

1,250.00

51100 · PROFESSIONAL FEES

51102 · ACCOUNTING FEES

51109 · CONTRACT LABOR

Total 51100 · PROFESSIONAL FEES

0.00

51301.1 OFFICE EXPENSES

51301 · SUPPLIES

500.00

51302 · DUES/SUBSCRIPTIONS

51304 · POSTAGE/SHIPPING

51305 · RENTAL/EQUIPMENT MAINTENANCE

Food and Shelter, Inc.
Budget Overview
January through December 2014

Emergency Shelter Program	Jan - Dec 14	
51307 · SERVICE/FINANCE CHARGES		
51308 · UTILITIES		
51600 · FACILITY MAINTENANCE	2,500.00	Shelter Maintenance
51900 · CONF & TRAINING		
51901 · EMPLOYEE TRAINING		
Total 51900 · CONF & TRAINING	0.00	
52300 · INSURANCE		
52301 · AGENCY UMBRELLA PACKAGE	7,500.00	Structure/Liab Ins
52302 · WORKER'S COMPENSATION		
52300 · INSURANCE - Other		
Total 52300 · INSURANCE	7,500.00	
52402 · FUNDRAISING		
52499 · MISC EXPENSES		
Total Expense	\$119,080.00	
Net Ordinary Income	920.00	
Net Income	920.00	

Food and Shelter, Inc.

**Financial Statements and Auditor's
Report Thereon as of and for the year ending
December 31, 2012**

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Independent Auditor's report

To the Board of Directors of
Food and Shelter, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Food and Shelter, Inc., which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, 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 consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 Food and Shelter, Inc. as of December 31, 2012, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2013 on our consideration of Food and Shelter, 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 Food and Shelter, Inc.'s internal control over financial reporting and compliance.


Oklahoma City, Oklahoma
May 5, 2013

Food and Shelter, Inc.
Statement of Financial Position
December 31, 2012

ASSETS

Current Assets	
Cash	244,440.72
Pledge Receivable	50,000.00
Grants Receivable	14,976.04
Total Current Assets	<u>309,416.76</u>
 Fixed Assets, Net of Accumulated Depreciation	 <u>300,076.62</u>
 Total Assets	 <u><u>\$ 609,493.38</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	6,238.58
Payroll Taxes Payable	2,193.88
Total Current Liabilities	<u>8,432.46</u>
 Net Assets	
Unrestricted	547,408.38
Temporarily Restricted	53,652.54
Total Net Assets	<u>601,060.92</u>
 Total Liabilities and Net Assets	 <u><u>\$ 609,493.38</u></u>

Food & Shelter, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2012

	Program Services				Supporting Services	
	Housing Programs	Food & Outreach Programs	Emergency Services Programs	Program Services Totals	General and Administrative	Totals
Salaries and Wages	64,709.11	83,882.18	55,122.58	203,713.87	35,949.51	239,663.38
Payroll Taxes	6,857.00	8,888.70	5,841.15	21,586.85	3,809.44	25,396.29
Employee Benefits	9,749.71	12,638.51	8,305.31	30,693.53	5,416.50	36,110.03
Total Salaries and Related Expenses	81,315.82	105,409.39	69,269.04	255,994.25	45,175.45	301,169.70
Bank Service Charges	-	-	-	-	572.79	572.79
Conferences & Training	-	-	-	-	1,935.87	1,935.87
Dues	-	-	-	-	728.25	728.25
Depreciation Expense	3,632.54	4,708.85	3,094.39	11,435.78	2,018.08	13,453.86
Emergency Services	6,684.73	4,456.49	211,683.21	222,824.43	-	222,824.43
Fund Raising	-	-	-	0.00	10,412.97	10,412.97
In-Kind Expenses	32,106.48	97,657.21	-	129,763.69	4,013.31	133,777.00
Liability Insurance	5,303.76	5,303.76	2,732.24	13,339.76	2,732.24	16,072.00
Workers Compensation Insurance	691.04	1,209.32	1,209.32	3,109.68	1,209.32	4,319.00
Miscellaneous	-	-	-	0.00	11,271.36	11,271.36
Professional Fees	7,352.74	7,352.74	7,352.74	22,058.22	7,352.74	29,410.96
Repairs and Maintenance	3,959.88	2,071.32	-	6,031.20	60.92	6,092.12
Kitchen Supplies	1,081.66	9,734.94	-	10,816.60	-	10,816.60
Office Supplies	9,366.95	-	2,260.99	11,627.94	20,671.89	32,299.83
Utilities	12,567.70	7,069.33	3,141.92	22,778.95	3,403.75	26,182.70
Total Non - Payroll Expenses	82,747.48	139,563.96	231,474.81	453,786.25	66,383.49	520,169.74
Total Functional Expenses	\$ 164,063.30	\$ 244,973.35	\$ 300,743.85	\$ 709,780.50	\$ 111,558.94	\$ 821,339.44

Food and Shelter, Inc.
Notes to Financial Statements
December 31, 2012

Note 1 – Nature of the Organization

Food and Shelter, Inc. (the Organization) was incorporated on July 1, 1983 as a nonprofit Oklahoma corporation. The Purpose of the Organization is to provide food and shelter for homeless families in Norman Oklahoma, to provide assistance in rehabilitation, and to improve the well-being of these people by providing coordination with existing services in the Norman area. The Organization serves free lunches six days a week and provides temporary shelter for homeless persons in three locations. The activities of the Organization are funded by state and federal grants, allocations from the United Way, local churches, individual contributions, and other miscellaneous sources.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting – The Organization maintains its books on a cash basis during the year. At year-end, the books are converted to the accrual basis.

Financial Statement Presentation – The financial statements are presented in accordance with the Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958), formerly SAFA No. 117, *Financial Statement of Not-for-Profit Organizations*, which requires the Organization to report net assets based on the existence or absence of donor-imposed restrictions. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets whose restrictions are met in the year received are recorded in the financial statements as unrestricted assets.

Contributions – In accordance with FASB ASC 958, Formerly SAFA No. 116, *Accounting for Contributions Received and Contributions Made*, contributions, including unconditional promise to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. There were no unconditional promises to give at December 31, 2012.

Property and Equipment – Property and equipment with a cost of \$1,000 or more are capitalized and depreciated on a straight-line basis over their estimated useful lives. Donations of property and equipment are recorded as revenue and capitalized at their estimated fair value. Such donations are reported as unrestricted revenue unless the donor restricts the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted revenue.

Income Tax Status – Food and Shelter, Inc. qualifies as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as is not a private foundation under Section 509(a) and qualifies for deductible contributions. No provision for federal state income taxes has been recorded. There was no interest or penalties to the Internal Revenue Service included in these financial statements.

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Classification of Expense – Food and Shelter, Inc. allocates its expenses on a functional basis among its various programs and activities. Expenses and support services that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

Note 3 – Cash

Cash and cash equivalents include bank accounts and investments readily converted to cash. There were no cash equivalents at December 31, 2012.

Note 4 – Pledge Receivable

At December 31, 2012 the pledge receivable consisted of the United Way allocation.

Note 5 – Grants Receivable

Food and Shelter, Inc. periodically submits requests for advance and/or reimbursement to grantor and pass-through agencies for grant funds. As of December 31, 2012, the Organization had outstanding requests for reimbursements and accruals due from the following:

City of Norman-Variou Programs	\$ 9,053
CDBG	1,087
HUD	<u>4,836</u>
Total	<u>\$ 14,976</u>

All amounts are considered fully collectible at December 31, 2012.

Note 6 – Property, Furniture and Equipment

Property, furniture and equipment consist of the following at December 31, 2012.

Land	43,200
Building	276,664
Leasehold Improvements	42,981
Furniture and Fixtures	11,181
Equipment	69,896
Building Improvements	39,882
Accumulated Depreciation	<u>(183,728)</u>
Total	<u>\$ 300,076</u>

Note 7- Donated Goods and Services

The Organization records the value of donated supplies, assets, and services when there is an objective basis available to measure their value.

These donations are reflected as in-kind contributions in the accompanying statements at their estimated values at the date of receipt. The estimated values of the items recorded for the year ending December 31, 2012 are as follows:

Meals	\$ 81,770
Goods	37,007
Services	<u>15,000</u>
Total	<u>\$ 133,777</u>

Volunteers regularly donate their time to Food and Shelter, Inc. program services. These amounts do not qualify for recording in the financial statements in accordance with FASB ASC 958, formerly SFAS No. 116. Volunteers have donated approximately 10,872 hours to the Organization's programs in 2012.

Food and Shelter, Inc. leased one house from the City of Norman for a cost of \$1 per year during 2012. The estimated rental value has been recorded as \$7,692.

Note 8 – Endowment Fund

The Organization is the beneficiary of investment income that is under the control of the Norman Community Foundation (NCF). The endowment fund at December 31, 2012 was valued at \$16,783.

Food and Shelter, Inc. does not include the balances of the endowment fund on its financial statements because variance power remains with the Norman Community Foundation.

Note 9 – Employee Benefit Plan

The Organization has a tax-deferred group annuity plan under section 403(b) of the Internal Revenue Code. Under this plan, employees may begin contributing immediately. Participating employees are 100% vested.

Note 10 – Irrevocable Life Insurance Trust

In November 2005, the Organization was notified that they were named the beneficiary of an individual's irrevocable life insurance trust. The funds will be available upon the death of the individual providing the trust.

Note 11 – Subsequent Events

Subsequent events have been evaluated through the issuance date of this report and no significant events were noted.

Casey J. Russell CPA, Inc.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Management and Board of Directors of
Food and Shelter, Inc.

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 Food and Shelter, Inc., which comprise the statements of financial position as of December 31, 2012, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 5, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Food and Shelter, Inc.' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Food and Shelter, Inc.' internal control. Accordingly, we do not express an opinion on the effectiveness of Food and Shelter, Inc.' 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 Food and Shelter, Inc.' 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Casey J. Russell CPA, etc.

Oklahoma City, Oklahoma

May 5, 2013



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Food *and* Shelter

The first step in the journey toward hope starts with Food and Shelter

Social and Voluntary Services Commission

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Jamie Wright, Director of Operations
Natalie Gardner, Director of Programs
Kacey Churchwell, Case Manager
Celeste Smith-Warah, Case Manager
Amy Radford, Kitchen Manager
Arian Davis, START Program Coordinator
Shannon Cullins, Reception/Front Office