



AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2016

**The Night Ministry and Subsidiary
Audit Report
For the Year Ended June 30, 2016**

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619 Enterprise Drive | Oak Brook, Illinois 60523 | www.seldenfox.com
p 630.954.1400 | f 630.954.1327 | email@seldenfox.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Night Ministry and Subsidiary
Chicago, Illinois

We have audited the accompanying consolidated financial statements of **The Night Ministry and Subsidiary**, which comprise the consolidated statements of financial position as of June 30, 2016 and 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated 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. Those standards require that we plan and perform the audits 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Night Ministry and Subsidiary as of June 30, 2016 and 2015, and its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, activities, functional expenses, and cash flows are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Selden Fox, Ltd.

December 7, 2016

The Night Ministry and Subsidiary
Consolidated Statement of Financial Position
June 30,

Assets	2016	2015
Cash and cash equivalents	\$ 1,058,335	\$ 1,638,665
Contributions receivable	357,421	130,501
Government receivables	295,191	200,865
Miscellaneous receivables	2,472	7,000
Prepaid expenses	41,935	62,469
Security deposits	14,160	13,561
Investments	561,273	438,455
Property and equipment, net of accumulated depreciation and amortization	3,049,048	3,230,695
Assets invested for endowment purposes	367,201	352,910
Total assets	\$ 5,747,036	\$ 6,075,121
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 332,925	\$ 339,902
Total liabilities	332,925	339,902
Net assets:		
Unrestricted:		
Undesignated for general activities	860,555	916,203
Designated by the Board of Directors	390,444	555,066
Invested in building and equipment	3,049,048	3,230,695
Total unrestricted net assets	4,300,047	4,701,964
Temporarily restricted:		
Purpose	469,386	705,582
Future periods	442,838	125,833
Total temporarily restricted net assets	912,224	831,415
Permanently restricted net assets	201,840	201,840
Total net assets	5,414,111	5,735,219
Total liabilities and net assets	\$ 5,747,036	\$ 6,075,121

See accompanying notes.

**The Night Ministry and Subsidiary
Consolidated Statement of Activities
For the Year Ended June 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues:				
Public support:				
Grants, contributions and bequests	\$ 3,003,710	\$ 587,500	\$ -	\$ 3,591,210
Board designated grants and contributions	700,000	-	-	700,000
Grants from government agencies	1,565,646	-	-	1,565,646
Special events (net of direct costs of \$116,151)	322,479	-	-	322,479
Other income:				
Investment income	8,123	5,338	-	13,461
Fee income	4,813	-	-	4,813
Net assets released from restrictions:				
Satisfaction of time restrictions	143,333	(143,333)	-	-
Satisfaction of purpose restrictions	368,696	(368,696)	-	-
Total revenues	<u>6,116,800</u>	<u>80,809</u>	<u>-</u>	<u>6,197,609</u>
Expenses:				
Program services:				
Outreach and health ministry	1,321,418	-	-	1,321,418
Open door shelters	4,500,137	-	-	4,500,137
Total program services expense	<u>5,821,555</u>	<u>-</u>	<u>-</u>	<u>5,821,555</u>
Management and general	572,548	-	-	572,548
Fund-raising	124,614	-	-	124,614
Total expenses	<u>6,518,717</u>	<u>-</u>	<u>-</u>	<u>6,518,717</u>
Change in net assets	<u>(401,917)</u>	<u>80,809</u>	<u>-</u>	<u>(321,108)</u>
Net assets, beginning of the year	<u>4,701,964</u>	<u>831,415</u>	<u>201,840</u>	<u>5,735,219</u>
Net assets, end of the year	<u>\$ 4,300,047</u>	<u>\$ 912,224</u>	<u>\$ 201,840</u>	<u>\$ 5,414,111</u>

See accompanying notes.

**The Night Ministry and Subsidiary
Consolidated Statement of Activities
For the Year Ended June 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues:				
Public support:				
Grants, contributions and bequests	\$ 2,750,852	\$ 265,851	\$ 201,840	\$ 3,218,543
Board designated grants and contributions	1,000,000	-	-	1,000,000
Grants from government agencies	1,474,890	-	-	1,474,890
Special events (net of direct costs of \$132,237)	318,608	-	-	318,608
Other income:				
Investment income	6,438	-	-	6,438
Fee income	2,239	-	-	2,239
Net assets released from restrictions:				
Satisfaction of time restrictions	95,833	(95,833)	-	-
Satisfaction of purpose restrictions	489,381	(489,381)	-	-
Total revenues	<u>6,138,241</u>	<u>(319,363)</u>	<u>201,840</u>	<u>6,020,718</u>
Expenses:				
Program services:				
Outreach and health ministry	1,291,143	-	-	1,291,143
Open door shelters	3,689,491	-	-	3,689,491
Total program services expense	4,980,634	-	-	4,980,634
Management and general	717,491	-	-	717,491
Fund-raising	303,477	-	-	303,477
Total expenses	<u>6,001,602</u>	<u>-</u>	<u>-</u>	<u>6,001,602</u>
Change in net assets	<u>136,639</u>	<u>(319,363)</u>	<u>201,840</u>	<u>19,116</u>
Net assets, beginning of the year	<u>4,565,325</u>	<u>1,150,778</u>	<u>-</u>	<u>5,716,103</u>
Net assets, end of the year	<u>\$ 4,701,964</u>	<u>\$ 831,415</u>	<u>\$ 201,840</u>	<u>\$ 5,735,219</u>

See accompanying notes.

The Night Ministry and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2016

	Outreach and Health Ministry	Open Door Shelters	Total Program Services	Management and General	Fund-raising	Total
Salaries	\$ 724,213	\$ 2,753,104	\$ 3,477,317	\$ 157,577	\$ 24,203	\$ 3,659,097
Employee benefits and payroll taxes	152,038	842,250	994,288	36,838	949	1,032,075
Total salaries and related expense	876,251	3,595,354	4,471,605	194,415	25,152	4,691,172
Bank charges	-	-	-	23,259	-	23,259
Consulting fees	-	30,083	30,083	2,766	13,704	46,553
Depreciation and amortization	73,041	166,850	239,891	8,418	5,354	253,663
Dues, books and subscriptions	10,889	27,303	38,192	31,063	6,815	76,070
Equipment leasing	1,078	8,005	9,083	3,627	-	12,710
Grants to other organizations	-	23,483	23,483	-	-	23,483
Insurance	45,764	51,591	97,355	21,548	4,905	123,808
Kitchen supplies	12,505	88,478	100,983	7,073	180	108,236
Miscellaneous expense	-	1,700	1,700	15,050	33,864	50,614
Occupancy	84,728	86,751	171,479	44,509	26,484	242,472
Office supplies	3,760	15,727	19,487	14,717	1,190	35,394
Postage and shipping	1,077	155	1,232	1,548	19,508	22,288
Printing	2,030	33	2,063	2,835	40,093	44,991
Professional fees	24,855	15,014	39,869	95,011	1,271	136,151
Program and medical supplies expense	19,973	15,622	35,595	-	-	35,595
Public relations	185	600	785	36	3,964	4,785
Repairs and maintenance	34,726	152,638	187,364	111,139	16,310	314,813
Specific assistance	1,609	36,586	38,195	-	16	38,211
Staff/volunteer street expenses	39,286	25,204	64,490	32,491	1,375	98,356
Telephone	3,662	23,240	26,902	16,905	600	44,407
Travel	9,817	11,151	20,968	24,519	1,299	46,786
Uncollectible grants	-	-	-	7,500	-	7,500
Vehicle expenses	31,290	5,899	37,189	211	-	37,400
Total functional expenses before allocation of management and general and fund-raising expenses	1,276,526	4,381,467	5,657,993	658,640	202,084	6,518,717
Allocation of management and general and fund-raising expenses	44,892	118,670	163,562	(86,092)	(77,470)	-
Total functional expenses	\$ 1,321,418	\$ 4,500,137	\$ 5,821,555	\$ 572,548	\$ 124,614	\$ 6,518,717

See accompanying independent auditor's report.

The Night Ministry and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2015

	Outreach and Health Ministry	Open Door Shelters	Total Program Services	Management and General	Fund-raising	Total
Salaries	\$ 688,585	\$ 2,329,693	\$ 3,018,278	\$ 250,451	\$ 69,544	\$ 3,338,273
Employee benefits and payroll taxes	154,268	600,852	755,120	50,812	12,967	818,899
Total salaries and related expense	842,853	2,930,545	3,773,398	301,263	82,511	4,157,172
Bank charges	-	-	-	22,863	-	22,863
Consulting fees	493	16,674	17,167	7,470	136,241	160,878
Depreciation and amortization	63,522	164,203	227,725	13,219	9,329	250,273
Dues, books and subscriptions	12,885	29,357	42,242	42,530	10,809	95,581
Equipment leasing	-	8,284	8,284	2,856	-	11,140
Insurance	30,609	48,661	79,270	21,430	5,050	105,750
Kitchen supplies	17,284	86,284	103,568	5,538	580	109,686
Miscellaneous expense	265	2,052	2,317	28,491	5,481	36,289
Occupancy	81,154	86,066	167,220	43,276	26,087	236,583
Office supplies	1,910	9,630	11,540	21,188	5,063	37,791
Postage and shipping	851	131	982	5,059	21,104	27,145
Printing	820	1,047	1,867	3,241	43,107	48,215
Professional fees	29,849	9,792	39,641	133,987	400	174,028
Program and medical supplies expense	29,036	17,553	46,589	370	-	46,959
Public relations	-	-	-	-	4,448	4,448
Repairs and maintenance	46,413	105,966	152,379	90,783	6,511	249,673
Specific assistance	1,650	37,364	39,014	-	-	39,014
Staff/volunteer street expenses	29,888	5,118	35,006	23,803	783	59,592
Telephone	4,825	15,823	20,648	14,288	550	35,486
Travel	6,452	6,390	12,842	30,143	4,617	47,602
Vehicle expenses	40,205	4,843	45,048	386	-	45,434
Total functional expenses before allocation of management and general and fund-raising expenses	1,240,964	3,585,783	4,826,747	812,184	362,671	6,001,602
Allocation of management and general and fund-raising expenses	50,179	103,708	153,887	(94,693)	(59,194)	-
Total functional expenses	\$ 1,291,143	\$ 3,689,491	\$ 4,980,634	\$ 717,491	\$ 303,477	\$ 6,001,602

See accompanying independent auditor's report.

**The Night Ministry and Subsidiary
Consolidated Statement of Cash Flows
For the Year Ended June 30,**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in total net assets	\$ (321,108)	\$ 19,116
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Depreciation and amortization	253,663	250,273
Gain on investments	(4,084)	(2,662)
Changes in:		
Receivables	(316,718)	390,964
Prepaid expenses	20,534	(5,760)
Security deposits	(599)	1,326
Accounts payable and accrued expenses	(6,977)	13,185
Net cash from operating activities	(375,289)	666,442
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	478,066	1,380,172
Purchase of investments	(611,091)	(1,035,967)
Purchases of property, plant, and equipment	(72,016)	(246,160)
Net cash from investing activities	(205,041)	98,045
Net change in cash and cash equivalents	(580,330)	764,487
Cash and cash equivalents, beginning of the year	<u>1,638,665</u>	<u>874,178</u>
Cash and cash equivalents, end of the year	<u>\$ 1,058,335</u>	<u>\$ 1,638,665</u>

See accompanying notes.

The Night Ministry and Subsidiaries Notes to the Consolidated Financial Statements

1. Description of Organization

The Night Ministry (TNM) is a not-for-profit, non-denominational social service organization connecting youth and adults in need with basic resources for healthcare, housing, employment, education, and more through its Outreach and Health Ministry and homeless youth housing programs. Its programs are operated out of a variety of venues, including a health outreach bus that is on the street five nights a week and some daytime hours, through four youth housing programs, outreach professionals who provide services on the street at night, and community based case management services. The Night Ministry serves adults and youth in need - regardless of race, ethnicity, religion, sexual orientation, or social status.

TNM incorporated the TNM Asset Management Organization, NFP (AMO), a not-for-profit organization, on March 6, 2008, for the purpose of managing TNM's significant assets and ensuring their long-term sustainability and viability in support of TNM's mission. TNM's building, land and related assets were legally transferred to AMO on July 14, 2009.

TNM and AMO are referred to collectively as the "Organization".

2. Summary of Significant Accounting Policies

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of TNM and AMO. TNM became the sole member of AMO on May 12, 2008. TNM holds, and has the right and powers to maintain the majority of the AMO Board of Directors. The Vice President of Operations of TNM is the Executive Director of AMO. Significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Accounting – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and in accordance with United States generally accepted accounting principles applicable to nonprofit organizations.

Donated Services – Donated services are recognized for those that create or enhance property and equipment (as contributions and increases to the basis of land, buildings and equipment) or for those that require specialized skills (as contributions and expenses).

A substantial number of volunteers have donated significant amounts of their time to the Organization's programs and supporting services, but no amounts have been recorded for the value of their services, in accordance with provisions of *Accounting Standards Codification ("ASC") 958-605-25-16 Not for Profit Entities – Revenue Recognition - Contributions Received - Contributed Services*. During fiscal years 2016 and 2015, management estimates the Organization received approximately 35,000 and 28,000 hours of volunteer services valued at \$908,000 and \$851,000, respectively.

The Night Ministry and Subsidiaries
Notes to the Consolidated Financial Statements (cont'd)

2. Summary of Significant Accounting Policies (cont'd)

Donated Materials – The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. For absent of explicit donor stipulations about how long those long-lived assets must be maintained, the Organization would report expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization received approximately \$240,000 and \$289,000 of donated goods and materials during fiscal years 2016 and 2015, respectively, which are not reflected in the accompanying financial statements because they were directly passed through to clients served by the Organization's various programs.

Contributions With Restrictions Met in the Same Year – Contributions received with donor imposed restrictions that are met in the same year as received are reported as unrestricted revenues. This is true even when the promise to give and receipt occur during the same year.

Cash and Cash Equivalents – Cash and cash equivalents are comprised of demand deposits, money market funds, and certificates of deposit or commercial paper with original maturities of three months or less.

Investments and Assets Invested for Endowment Purposes – Investments in certificates of deposit and marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Property and Equipment – Property and equipment are stated at cost or estimated value if donated. All acquisitions of property and equipment in excess of \$2,000, and all expenditures for repairs, maintenance renewals and betterments that materially prolong the useful lives of the assets for three years or greater are capitalized. Depreciation is computed on a straight line basis over the estimated useful lives of the assets: building and building improvements, 31.5 years; equipment and software, 5 years; furniture and fixtures, 7 years; vehicles, 5 years. Leasehold improvements are stated at cost or estimated value if donated. Amortization is provided on a straight line basis over the term of the lease.

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 support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the Organization disburses cash to third party vendors for payments to purchase property and equipment that would comply with the purpose of the restricted support. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

The Night Ministry and Subsidiaries
Notes to the Consolidated Financial Statements (cont'd)

2. Summary of Significant Accounting Policies (cont'd)

Grants, Contributions, and Bequests – The Organization has established procedures to insure that provisions contained in gift instruments and grant agreements are complied with as is required by its various funding sources.

Use of Estimates – The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and it is reasonably possible that the recorded amounts or related disclosures could significantly change in the near future as new information becomes available.

Certain significant estimates used in the preparation of these financial statements include the fair value of investments, establishing no reserve for contributions receivable and government receivables, and the determination of useful lives of property and equipment. These estimates are based on quoted prices for similar assets in an active market for investments, and management's past experience with regard to the reserve for receivables and useful life determinations.

Functional Expenses – Operating expenses directly identified with a functional area are charged to such area and, where such expenses affect more than one area, they are allocated to the respective areas on the basis of ratios, as estimated by management.

Concentrations – The Organization relies heavily on governmental agencies, public and private foundations, and individuals in the Chicagoland area to provide funding for its programs.

3. Government Receivables

Government receivables consist of amounts due from various governmental agencies for services performed under grant agreements. Government receivables are expected to be collected in one year or less and are recorded at net realizable value. Based on past history, management believes all government receivables are collectible in full. Government receivables are due from the following agencies at June 30:

	<u>2016</u>	<u>2015</u>
Agencies of the State of Illinois	\$ 117,377	\$ 10,532
Agencies of the City of Chicago	85,583	98,102
U.S. Department of Housing and Urban Development	<u>92,231</u>	<u>92,231</u>
	<u>\$ 295,191</u>	<u>\$ 200,865</u>

The Night Ministry and Subsidiaries
Notes to the Consolidated Financial Statements (cont'd)

4. Contributions Receivable

Unconditional promises to give are included in the financial statements as contributions receivable and revenue of the appropriate net asset category. Contributions expected to be collected in one year or less are recorded at net realizable value. Based on past history, management believes all contributions receivable are collectible in full.

The Organization has unconditional promises to give in the following amounts at June 30:

	<u>2016</u>	<u>2015</u>
Total unconditional promises to give	<u>\$ 357,421</u>	<u>\$ 130,501</u>
Amount scheduled to be received:		
In less than one year	\$ 357,421	\$ 115,501
In one to five years	<u>-</u>	<u>15,000</u>
	<u>\$ 357,421</u>	<u>\$ 130,501</u>

Included in the balance of contributions receivable at June 30, 2016, is a \$200,000 unconditional promise to give due from a private foundation.

5. Investments, Assets Invested for Endowment Purposes, and Fair Value Measurements

ASC Topic 820 Fair Value Measurement and Disclosures, established 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 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

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

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The Night Ministry and Subsidiaries
Notes to the Consolidated Financial Statements (cont'd)

5. Investments, Assets Invested for Endowment Purposes, and Fair Value Measurements (cont'd)

The asset 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

Certificates of Deposit – Valued at an estimated fair value as of June 30, 2016 and 2015, based on quoted prices for similar assets in an active market if the original term of the certificate is greater than three months.

Mutual Funds and Exchange-Traded Funds (ETFs) – Valued using quoted prices in active markets.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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 fair value measurement at the reporting date.

The following table sets forth by level, within the fair hierarchy, the Organization's assets at fair value as of June 30:

	Assets at Fair Value as of June 30, 2016			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 561,273	\$ -	\$ 561,273
Mutual funds	147,649	-	-	147,649
Exchange traded funds	219,552	-	-	219,552
	\$ 367,201	\$ 561,273	\$ -	\$ 928,474

	Assets at Fair Value as of June 30, 2015			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 438,455	\$ -	\$ 438,455
Mutual funds	141,674	-	-	141,674
Exchange traded funds	211,236	-	-	211,236
	\$ 352,910	\$ 438,455	\$ -	\$ 791,365

Assets presented at fair value are investments and assets invested for endowment purposes on the statement of financial position.

The Night Ministry and Subsidiaries
Notes to the Consolidated Financial Statements (cont'd)

5. Investments, Assets Invested for Endowment Purposes, and Fair Value Measurements (cont'd)

Investment income for the year ended June 30, 2016, consisted of interest and dividends of \$9,377 and gains of \$4,084 (\$3,776 of interest and \$2,662 of gains for the year ended June 30, 2015).

6. Property and Equipment

At June 30, 2016 and 2015, the cost and accumulated depreciation and amortization for property and equipment were as follows:

	<u>2016</u>	<u>2015</u>
Land – Lakeview Shelter	\$ 51,570	\$ 51,570
Building – Lakeview Shelter	349,365	349,365
Land – West Town Shelter	264,662	264,662
Building – West Town Shelter	3,103,586	3,060,786
Building improvements – Lakeview Shelter	513,075	513,075
Equipment	1,419,944	1,395,080
Furniture and fixtures	206,038	201,686
Vehicles	954,178	954,178
Software	62,171	62,171
Leasehold improvements	422,462	422,462
	<u>7,347,051</u>	<u>7,275,035</u>
Less accumulated amortization	415,303	412,350
Less accumulated depreciation	<u>3,882,700</u>	<u>3,631,990</u>
	<u>\$ 3,049,048</u>	<u>\$ 3,230,695</u>

Depreciation expense charged to operations for the fiscal years ended June 30, 2016 and 2015, totaled \$250,710 and \$248,310, respectively. Amortization expense charged to operations for the fiscal years ended June 30, 2016 and 2015, totaled \$2,953 and \$1,963, respectively.

The Night Ministry and Subsidiaries
Notes to the Consolidated Financial Statements (cont'd)

7. Lease Commitments

The Organization leases office space at 4711 North Ravenswood Avenue and a program facility, storage facilities, and parking space in the Ravenswood neighborhood area under various operating leases that expire at various dates through December 31, 2019. The Organization has an option to extend the 4711 North Ravenswood Avenue lease through December 31, 2021, at an amount to be determined no later than December 31, 2018.

AMO leases TNM facilities needed to run TNM's programs. The leases are generally renewed annually for one-year periods coinciding with the fiscal years of TNM and AMO. Total rental income for AMO and rent expense for TNM, which has been eliminated on a consolidated basis, was \$316,599 for the year ended June 30, 2016 (\$272,164 for the year ended June 30, 2015).

In addition, the Organization leases office and program equipment through rental agreements that expire at various dates through September 2020.

Future fiscal year minimum lease obligations under these agreements as of June 30, 2016, are as follows:

	Facilities, Storage Space, and Parking Space	Equipment	Total
2017	\$ 165,486	\$ 15,243	\$ 180,729
2018	145,772	14,280	160,052
2019	151,047	14,280	165,327
2020	88,022	14,280	102,302
2021	-	3,570	3,570
	<u>\$ 550,327</u>	<u>\$ 61,653</u>	<u>\$ 611,980</u>

Total charges to operations for rental expense during the fiscal years ended June 30, 2016 and 2015, amounted to \$224,168 and \$220,747, respectively.

The Night Ministry and Subsidiaries
Notes to the Consolidated Financial Statements (cont'd)

8. Net Assets Designated by the Board of Directors

The Organization benefits from the contribution of a long time benefactor. The gift is unrestricted and was \$700,000 for the year ended June 30, 2016 (\$1,000,000 for the year ended June 30, 2015). The Board designates the annual contribution for operations, while the surpluses from current and past contributions are designated as a reserve fund, to use in case of a fiscal emergency or to support future expanded operations. By resolution, the Board has targeted this reserve fund to equal six months of the current fiscal year's budgeted expenses. The Finance Committee reviews the balance of the fund monthly. The Board also has established a Board designated endowment fund to be retained and invested for a long but unspecified period and purpose and classified as an unrestricted net asset. The net assets designated by the Board of Directors consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Reserve fund	\$ 230,833	\$ 402,486
Board designated endowment	<u>159,611</u>	<u>152,580</u>
Board designated net assets, end of year	<u>\$ 390,444</u>	<u>\$ 555,066</u>

9. Temporarily Restricted Net Assets

Temporarily restricted net assets were attributable to the following purposes as of June 30:

	<u>2016</u>	<u>2015</u>
Outreach health services	\$ 446,886	\$ 646,396
Interim shelters	<u>22,500</u>	<u>59,186</u>
Total purpose restrictions	469,386	705,582
Future periods	<u>442,838</u>	<u>125,833</u>
Total temporarily restricted	<u>\$ 912,224</u>	<u>\$ 831,415</u>

The Night Ministry and Subsidiaries
Notes to the Consolidated Financial Statements (cont'd)

10. Endowments

TNM's endowment includes donor-restricted endowment funds and funds designated by TNM's Board of Directors to function as an endowment. These endowment funds have been established for providing TNM with income to be used to fund the general charitable purposes of the Organization. As required by generally accepted accounting principles in the United States of America, net assets associated with endowment funds, including those designated by the Board of Directors, are classified and reported based on the existence or absence of donor-imposed restrictions.

With respect to donor-restricted endowment funds, when a donor expresses clear intent in written documentation, state law requires the Organization to follow the donor's instructions. When a donor's intent is not explicitly expressed, applicable legislation directs the charity to spend an amount that is prudent and consistent with the donation's purpose, considers the donor's intent that the fund continue in perpetuity, and are to be invested spent in a prudent manner.

TNM's overall investment objective for its endowment is to preserve the "real" value of the underlying assets of the endowment after expenses, inflation, and appropriations combined with long-term growth through capital appreciation in order to support TNM in perpetuity. TNM's investment policy is designed to preserve the purchasing power of the endowment as well as to balance TNM's present needs with those of the future. To achieve this, TNM invests its endowment funds in a mutual fund and an exchange traded fund to maximize total return consistent with prudent risk limitations. Over time, TNM expects the underlying assets of the endowment to achieve a long-term compound return to exceed the annual spending objective plus the rate of inflation. Actual returns in any given year may vary from that amount. TNM has adopted an endowment spending policy. Under the spending policy, there are to be no appropriations of endowment funds until the aggregate donor-restricted and Board designated endowment exceed \$5,000,000. Once the endowment reaches \$5,000,000, the annual spending objective is 5.0% of the three-year moving average of the fair value of the endowment's underlying assets.

The Night Ministry and Subsidiaries
Notes to the Consolidated Financial Statements (cont'd)

10. Endowments (cont'd)

The activity in TNM's endowment funds is as follows:

	Unrestricted, Board Designated	Donor Restricted Endowments			Total Endowment Funds
		Unrestricted, Undesignated	Temporarily Restricted	Permanently Restricted	
Balance, June 30, 2014	\$ 145,153	\$ -	\$ -	\$ -	\$ 145,153
Contributions	-	-	-	201,840	201,840
Investment income:					
Gain	4,000	(1,667)	-	-	2,333
Interest and dividends	3,427	157	-	-	3,584
Balance, June 30, 2015	152,580	(1,510)	-	201,840	352,910
Investment income:					
Gain (loss)	2,308	1,510	1,520	-	5,338
Interest and dividends	4,723	-	4,230	-	8,953
Balance, June 30, 2016	\$ 159,611	\$ -	\$ 5,750	\$ 201,840	\$ 367,201

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or state law requires TNM to maintain as a fund of perpetual duration. Such deficiencies are applied against unrestricted net assets. At June 30, 2015, the fair value of the donor-restricted endowment was \$200,330, which was under the donor's original contribution of \$201,840. The \$1,510 deficiency was due to the performance of the endowment's underlying investments subsequent to the donor's contribution. In fiscal 2016, gains on the underlying assets of the donor-restricted endowment were sufficient to remedy the deficiency.

11. Retirement Plan

The Organization has provided for a qualified defined contribution retirement plan under Section 401(k) with salary deferral provisions which was established January 1, 2008. Under the Plan, all employees of The Night Ministry at the date of hire are eligible to participate for purposes of salary deferrals and employer discretionary contributions.

Employees are eligible for matching contributions on either January 1 or July 1 immediately following when an employee has completed one year or 1000 hours of service as defined in the Plan document. Matching contributions by The Night Ministry included in employee benefit expenses were \$62,965 for the year ended June 30, 2016 (\$46,404 for the year ended June 30, 2015).

12. Concentration of Credit Risk

Deposit accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2016, amounts maintained in excess of FDIC insured limits or in non FDIC insured money market fund accounts amounted to \$327,324.

The Night Ministry and Subsidiaries
Notes to the Consolidated Financial Statements (cont'd)

13. Contingency

The Organization has received significant financial assistance from various governmental agencies and foundations under grant agreements. The disbursement of funds received under these agreements generally requires compliance with terms and conditions specified in the grant agreements, and may be subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. The Organization's management believes that the Organization is in compliance with the terms and conditions of the grant awards.

14. Income Taxes

TNM and AMO have been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code, except to the extent of any unrelated business income. TNM and AMO also are classified organizations other than a private foundation under Section 509(a)(2) of the U.S. Internal Revenue Code. Furthermore, AMO is considered by the Internal Revenue Service to be controlled by TNM and accordingly is classified as a supporting organization under Section 509(a)(3) of the U.S. Internal Revenue Code. Both TNM and AMO had no unrelated business income and are also exempt from Illinois income tax under state law. Accordingly, no provision for income tax has been established, and contributions to TNM and AMO are deductible within the limitations as prescribed by the Internal Revenue Code.

TNM and AMO file returns in the U.S. federal jurisdiction and Illinois. With few exceptions, TNM and AMO are not subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities prior to fiscal year ended June 30, 2013 filed on the 2012 tax form. TNM and AMO do not expect a material net change in unrecognized tax benefits in the next twelve months.

15. Subsequent Events

Subsequent to year end, a church donated real property to AMO with an appraised value of \$925,000. AMO anticipates selling the property and has listed the property for sale. Costs to prepare the real property for sale are not known at this time.

Also, subsequent to year end, TNM was notified they were awarded a \$200,000 grant.

In July 2016, AMO transferred \$300,000 to TNM to be added to TNM's endowment. These funds will be considered permanently restricted net assets of TNM.

The financial statements were available to be issued on December 7, 2016, with subsequent events being evaluated through this date.

The Night Ministry and Subsidiary
Consolidating Statement of Financial Position
June 30, 2016

Assets	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash and cash equivalents	\$ 602,597	\$ 455,738	\$ -	\$ 1,058,335
Contributions receivable	357,421	-	-	357,421
Government receivables	295,191	-	-	295,191
Miscellaneous receivables	2,472	-	-	2,472
Prepaid expenses	33,907	8,028	-	41,935
Security deposits	14,160	-	-	14,160
Investments	161,273	400,000	-	561,273
Property and equipment, net of accumulated depreciation and amortization	297,065	2,751,983	-	3,049,048
Assets invested for endowment purposes	367,201	-	-	367,201
Total assets	\$ 2,131,287	\$ 3,615,749	\$ -	\$ 5,747,036
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 329,714	\$ 3,211	\$ -	\$ 332,925
Total liabilities	329,714	3,211	-	332,925
Net assets:				
Unrestricted:				
Undesignated for general activities	-	860,555	-	860,555
Designated by the Board of Directors	390,444	-	-	390,444
Invested in building and equipment	297,065	2,751,983	-	3,049,048
Total unrestricted	687,509	3,612,538	-	4,300,047
Temporarily restricted:				
Purpose	469,386	-	-	469,386
Future periods	442,838	-	-	442,838
Total temporarily restricted	912,224	-	-	912,224
Permanently restricted net assets	201,840	-	-	201,840
Total net assets	1,801,573	3,612,538	-	5,414,111
Total liabilities and net assets	\$ 2,131,287	\$ 3,615,749	\$ -	\$ 5,747,036

See accompanying independent auditor's report.

The Night Ministry and Subsidiary
Consolidating Statement of Financial Position
June 30, 2015

Assets	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash and cash equivalents	\$ 889,451	749,214	\$ -	\$ 1,638,665
Contributions receivable	130,501	-	-	130,501
Government receivables	200,865	-	-	200,865
Miscellaneous receivables	38,427	-	(31,427)	7,000
Prepaid expenses	62,381	88	-	62,469
Security deposits	13,561	-	-	13,561
Investments	238,455	200,000	-	438,455
Property and equipment, net of accumulated depreciation and amortization	379,886	2,850,809	-	3,230,695
Assets invested for endowment purposes	352,910	-	-	352,910
Total assets	\$ 2,306,437	\$ 3,800,111	\$ (31,427)	\$ 6,075,121
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 338,230	\$ 33,099	\$ (31,427)	\$ 339,902
Total liabilities	338,230	33,099	(31,427)	339,902
Net assets:				
Unrestricted:				
Undesignated for general activities	-	916,203	-	916,203
Designated by the Board of Directors	555,066	-	-	555,066
Invested in building and equipment	379,886	2,850,809	-	3,230,695
Total unrestricted	934,952	3,767,012	-	4,701,964
Temporarily restricted:				
Purpose	705,582	-	-	705,582
Future periods	125,833	-	-	125,833
Total temporarily restricted	831,415	-	-	831,415
Permanently restricted net assets	201,840	-	-	201,840
Total net assets	1,968,207	3,767,012	-	5,735,219
Total liabilities and net assets	\$ 2,306,437	\$ 3,800,111	\$ (31,427)	\$ 6,075,121

See accompanying independent auditor's report.

**The Night Ministry and Subsidiary
Consolidating Statement of Activities
For the Year Ended June 30, 2016**

	The Night Ministry			Total	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
	Unrestricted	Temporarily Restricted	Permanently Restricted				
Revenues:							
Public support:							
Grants, contributions and bequests	\$ 3,103,710	\$ 587,500	\$ -	\$ 3,691,210	\$ -	\$ (100,000)	\$ 3,591,210
Board designated grants and contributions	700,000	-	-	700,000	-	-	700,000
Grants from government agencies	1,565,646	-	-	1,565,646	-	-	1,565,646
Special events (net of direct costs of \$116,151)	322,479	-	-	322,479	-	-	322,479
Other income:							
Investment income	6,631	5,338	-	11,969	1,492	-	13,461
Rental income	-	-	-	-	316,599	(316,599)	-
Fee income	4,813	-	-	4,813	-	-	4,813
Net assets released from restriction:							
Satisfaction of time restrictions	143,333	(143,333)	-	-	-	-	-
Satisfaction of purpose restrictions	368,696	(368,696)	-	-	-	-	-
Total revenues	6,215,308	80,809	-	6,296,117	318,091	(416,599)	6,197,609
Expenses:							
Program services:							
Outreach and health ministry	1,321,418	-	-	1,321,418	-	-	1,321,418
Open door shelters	4,446,795	-	-	4,446,795	469,941	(416,599)	4,500,137
Total program services	5,768,213	-	-	5,768,213	469,941	(416,599)	5,821,555
Management and general	569,924	-	-	569,924	2,624	-	572,548
Fund-raising	124,614	-	-	124,614	-	-	124,614
Total expenses	6,462,751	-	-	6,462,751	472,565	(416,599)	6,518,717
Change in net assets	(247,443)	80,809	-	(166,634)	(154,474)	-	(321,108)
Net assets, beginning of the year	934,952	831,415	201,840	1,968,207	3,767,012	-	5,735,219
Net assets, end of the year	\$ 687,509	\$ 912,224	\$ 201,840	\$ 1,801,573	\$ 3,612,538	\$ -	\$ 5,414,111

See accompanying independent auditor's report.

**The Night Ministry and Subsidiary
Consolidating Statement of Activities
For the Year Ended June 30, 2015**

	The Night Ministry				TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total			
Revenues:							
Public support:							
Grants, contributions and bequests	\$ 2,750,852	\$ 265,851	\$ 201,840	\$ 3,218,543	\$ -	\$ -	\$ 3,218,543
Board designated grants and contributions	1,000,000	-	-	1,000,000	-	-	1,000,000
Grants from government agencies	1,474,890	-	-	1,474,890	-	-	1,474,890
Special events (net of direct costs of \$132,237)	318,608	-	-	318,608	-	-	318,608
Other income:							
Investment income	5,680	-	-	5,680	758	-	6,438
Rental income	-	-	-	-	272,164	(272,164)	-
Fee income	2,239	-	-	2,239	-	-	2,239
Net assets released from restriction:							
Satisfaction of time restrictions	95,833	(95,833)	-	-	-	-	-
Satisfaction of purpose restrictions	489,381	(489,381)	-	-	-	-	-
Total revenues	6,137,483	(319,363)	201,840	6,019,960	272,922	(272,164)	6,020,718
Expenses:							
Program services:							
Outreach and health ministry	1,291,143	-	-	1,291,143	-	-	1,291,143
Open door shelters	3,707,479	-	-	3,707,479	254,176	(272,164)	3,689,491
Total program services	4,998,622	-	-	4,998,622	254,176	(272,164)	4,980,634
Management and general	712,882	-	-	712,882	4,609	-	717,491
Fund-raising	303,477	-	-	303,477	-	-	303,477
Total expenses	6,014,981	-	-	6,014,981	258,785	(272,164)	6,001,602
Change in net assets	122,502	(319,363)	201,840	4,979	14,137	-	19,116
Net assets, beginning of the year	812,450	1,150,778	-	1,963,228	3,752,875	-	5,716,103
Net assets, end of the year	\$ 934,952	\$ 831,415	\$ 201,840	\$ 1,968,207	\$ 3,767,012	\$ -	\$ 5,735,219

See accompanying independent auditor's report.

The Night Ministry and Subsidiary
Consolidating Statement of Functional Expenses
For the Year Ended June 30, 2016

	The Night Ministry					TNM Asset Management Organization, NFP			Eliminations - Open Door Shelters	Consolidated Total	
	Outreach and Health Ministry	Open Door Shelters	Total Program Services	Management and General	Fund- raising	Total	Open Door Shelters	Management and General			Total
Salaries	\$ 724,213	\$ 2,693,418	\$ 3,417,631	\$ 157,577	\$ 24,203	\$ 3,599,411	\$ -	\$ -	\$ -	\$ 59,686	\$ 3,659,097
Employee benefits and payroll taxes	152,038	842,250	994,288	36,838	949	1,032,075	-	-	-	-	1,032,075
Total salaries and related expense	876,251	3,535,668	4,411,919	194,415	25,152	4,631,486	-	-	-	59,686	4,691,172
Bank charges	-	-	-	23,259	-	23,259	-	-	-	-	23,259
Consulting fees	-	30,083	30,083	2,766	13,704	46,553	-	-	-	-	46,553
Depreciation and amortization	73,041	15,995	89,036	8,418	5,354	102,808	150,855	-	150,855	-	253,663
Dues, books and subscriptions	10,889	27,223	38,112	31,038	6,815	75,965	80	25	105	-	76,070
Equipment leasing	1,078	8,005	9,083	3,627	-	12,710	-	-	-	-	12,710
Grants to other organizations	-	23,483	23,483	-	-	23,483	100,000	-	100,000	(100,000)	23,483
Insurance	45,764	45,620	91,384	20,429	4,905	116,718	5,971	1,119	7,090	-	123,808
Kitchen supplies	12,505	88,410	100,915	7,073	180	108,168	68	-	68	-	108,236
Miscellaneous expense	-	1,700	1,700	15,050	33,864	50,614	-	-	-	-	50,614
Occupancy	84,728	371,235	455,963	44,509	26,484	526,956	32,115	-	32,115	(316,599)	242,472
Office supplies	3,760	15,727	19,487	14,717	1,190	35,394	-	-	-	-	35,394
Postage and shipping	1,077	155	1,232	1,548	19,508	22,288	-	-	-	-	22,288
Printing	2,030	33	2,063	2,835	40,093	44,991	-	-	-	-	44,991
Professional fees	24,855	4,374	29,229	94,651	1,271	125,151	51,948	360	52,308	(41,308)	136,151
Program and medical supplies expense	19,973	15,622	35,595	-	-	35,595	-	-	-	-	35,595
Public relations	185	600	785	36	3,964	4,785	-	-	-	-	4,785
Repairs and maintenance	34,726	42,112	76,838	110,303	16,310	203,451	128,904	836	129,740	(18,378)	314,813
Specific assistance	1,609	36,586	38,195	-	16	38,211	-	-	-	-	38,211
Staff/volunteer street expenses	39,286	25,204	64,490	32,207	1,375	98,072	-	284	284	-	98,356
Telephone	3,662	23,240	26,902	16,905	600	44,407	-	-	-	-	44,407
Travel	9,817	11,151	20,968	24,519	1,299	46,786	-	-	-	-	46,786
Uncollectible grants	-	-	-	7,500	-	7,500	-	-	-	-	7,500
Vehicle expenses	31,290	5,899	37,189	211	-	37,400	-	-	-	-	37,400
Total functional expenses before allocation of management and general and fund-raising expenses	1,276,526	4,328,125	5,604,651	656,016	202,084	6,462,751	469,941	2,624	472,565	(416,599)	6,518,717
Allocation of management and general and fund-raising expenses	44,892	118,670	163,562	(86,092)	(77,470)	-	-	-	-	-	-
Total functional expenses	\$ 1,321,418	\$ 4,446,795	\$ 5,768,213	\$ 569,924	\$ 124,614	\$ 6,462,751	\$ 469,941	\$ 2,624	\$ 472,565	\$ (416,599)	\$ 6,518,717

See accompanying independent auditor's report.

The Night Ministry and Subsidiary
Consolidating Statement of Functional Expenses
For the Year Ended June 30, 2015

	The Night Ministry					TNM Asset Management Organization, NFP			Eliminations - Open Door Shelters	Consolidated Total	
	Outreach and Health Ministry	Open Door Shelters	Total Program Services	Management and General	Fund- raising	Total	Open Door Shelters	Management and General			Total
Salaries	\$ 688,585	\$ 2,329,693	\$ 3,018,278	\$ 250,451	\$ 69,544	\$ 3,338,273	\$ -	\$ -	\$ -	\$ -	\$ 3,338,273
Employee benefits and payroll taxes	154,268	600,852	755,120	50,812	12,967	818,899	-	-	-	-	818,899
Total salaries and related expense	842,853	2,930,545	3,773,398	301,263	82,511	4,157,172	-	-	-	-	4,157,172
Bank charges	-	-	-	22,863	-	22,863	-	-	-	-	22,863
Consulting fees	493	16,674	17,167	7,470	136,241	160,878	-	-	-	-	160,878
Depreciation and amortization	63,522	14,846	78,368	13,219	9,329	100,916	149,357	-	149,357	-	250,273
Dues, books and subscriptions	12,885	29,357	42,242	42,405	10,809	95,456	-	125	125	-	95,581
Equipment leasing	-	8,148	8,148	2,856	-	11,004	136	-	136	-	11,140
Insurance	30,609	42,396	73,005	20,368	5,050	98,423	6,265	1,062	7,327	-	105,750
Kitchen supplies	17,284	86,284	103,568	5,538	580	109,686	-	-	-	-	109,686
Miscellaneous expense	265	2,052	2,317	28,491	5,481	36,289	-	-	-	-	36,289
Occupancy	81,154	322,544	403,698	43,276	26,087	473,061	35,686	-	35,686	(272,164)	236,583
Office supplies	1,910	9,630	11,540	21,188	5,063	37,791	-	-	-	-	37,791
Postage and shipping	851	131	982	5,059	21,104	27,145	-	-	-	-	27,145
Printing	820	1,047	1,867	3,241	43,107	48,215	-	-	-	-	48,215
Professional fees	29,849	9,792	39,641	132,041	400	172,082	-	1,946	1,946	-	174,028
Program and medical supplies expense	29,036	17,553	46,589	370	-	46,959	-	-	-	-	46,959
Public relations	-	-	-	-	4,448	4,448	-	-	-	-	4,448
Repairs and maintenance	46,413	43,234	89,647	89,307	6,511	185,465	62,732	1,476	64,208	-	249,673
Specific assistance	1,650	37,364	39,014	-	-	39,014	-	-	-	-	39,014
Staff/volunteer street expenses	29,888	5,118	35,006	23,803	783	59,592	-	-	-	-	59,592
Telephone	4,825	15,823	20,648	14,288	550	35,486	-	-	-	-	35,486
Travel	6,452	6,390	12,842	30,143	4,617	47,602	-	-	-	-	47,602
Vehicle expenses	40,205	4,843	45,048	386	-	45,434	-	-	-	-	45,434
Total functional expenses before allocation of management and general and fund-raising expenses	1,240,964	3,603,771	4,844,735	807,575	362,671	6,014,981	254,176	4,609	258,785	(272,164)	6,001,602
Allocation of management and general and fund-raising expenses	50,179	103,708	153,887	(94,693)	(59,194)	-	-	-	-	-	-
Total functional expenses	\$ 1,291,143	\$ 3,707,479	\$ 4,998,622	\$ 712,882	\$ 303,477	\$ 6,014,981	\$ 254,176	\$ 4,609	\$ 258,785	\$ (272,164)	\$ 6,001,602

See accompanying independent auditor's report.

**The Night Ministry and Subsidiary
Consolidating Statement of Cash Flows
For the Year Ended June 30, 2016**

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash flows from operating activities:				
Change in total net assets	\$ (166,634)	\$ (154,474)	\$ -	\$ (321,108)
Adjustments to reconcile change in total net assets to net cash provided by operating activities:				
Depreciation and amortization	102,808	150,855	-	253,663
Gain on investments	(4,084)	-	-	(4,084)
Changes in:				
Receivables	(285,291)	-	(31,427)	(316,718)
Prepaid expenses	28,474	(7,940)	-	20,534
Security deposits	(599)	-	-	(599)
Accounts payable and accrued expenses	(8,516)	(29,888)	31,427	(6,977)
Net cash from operating activities	(333,842)	(41,447)	-	(375,289)
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	278,066	200,000	-	478,066
Purchase of investments	(211,091)	(400,000)	-	(611,091)
Purchases of property, plant, and equipment	(19,987)	(52,029)	-	(72,016)
Net cash from investing activities	46,988	(252,029)	-	(205,041)
Net change in cash and cash equivalents	(286,854)	(293,476)	-	(580,330)
Cash and cash equivalents, beginning of the year	889,451	749,214	-	1,638,665
Cash and cash equivalents, end of the year	\$ 602,597	\$ 455,738	\$ -	\$ 1,058,335

See accompanying independent auditor's report.

**The Night Ministry and Subsidiary
Consolidating Statement of Cash Flows
For the Year Ended June 30, 2015**

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash flows from operating activities:				
Change in total net assets	\$ 4,979	\$ 14,137	\$ -	\$ 19,116
Adjustments to reconcile change in total net assets to net cash provided by operating activities:				
Depreciation and amortization	100,916	149,357	-	250,273
Gain on investments	(2,662)	-	-	(2,662)
Changes in:				
Receivables	383,633	-	7,331	390,964
Prepaid expenses	(8,178)	2,418	-	(5,760)
Security deposits	1,326	-	-	1,326
Accounts payable and accrued expenses	15,058	5,458	(7,331)	13,185
Net cash from operating activities	495,072	171,370	-	666,442
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	780,172	600,000	-	1,380,172
Purchase of investments	(835,967)	(200,000)	-	(1,035,967)
Purchases of property, plant, and equipment	(246,160)	-	-	(246,160)
Net cash from investing activities	(301,955)	400,000	-	98,045
Net change in cash and cash equivalents	193,117	571,370	-	764,487
Cash and cash equivalents, beginning of the year	696,334	177,844	-	874,178
Cash and cash equivalents, end of the year	\$ 889,451	\$ 749,214	\$ -	\$ 1,638,665

See accompanying independent auditor's report.