



AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2017

**The Night Ministry and Subsidiary
Audit Report
For the Year Ended June 30, 2017**

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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, 2017 and 2016, 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, 2017 and 2016, 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 6, 2017

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

Assets	2017	2016
Cash and cash equivalents	\$ 1,761,336	\$ 1,058,335
Contributions receivable	602,675	357,421
Government receivables	499,123	295,191
Miscellaneous receivables	36,453	2,472
Prepaid expenses	120,447	41,935
Security deposits	10,000	14,160
Investments	200,000	561,273
Property and equipment, net of accumulated depreciation and amortization	2,893,645	3,049,048
Contributions receivable intended for the endowment	500,000	-
Assets invested for endowment purposes	1,706,093	367,201
Total assets	\$ 8,329,772	\$ 5,747,036
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 468,611	\$ 332,925
Total liabilities	468,611	332,925
Net assets:		
Unrestricted:		
Undesignated for general activities	665,177	860,555
Designated by the Board of Directors	1,362,754	390,444
Invested in building and equipment	2,893,645	3,049,048
Total unrestricted net assets	4,921,576	4,300,047
Temporarily restricted:		
Purpose	1,406,022	469,386
Future periods	252,323	442,838
Total temporarily restricted net assets	1,658,345	912,224
Permanently restricted net assets	1,281,240	201,840
Total net assets	7,861,161	5,414,111
Total liabilities and net assets	\$ 8,329,772	\$ 5,747,036

See accompanying notes.

**The Night Ministry and Subsidiary
Consolidated Statement of Activities
For the Year Ended June 30, 2017**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues:				
Public support:				
Grants, contributions and bequests	\$ 3,586,502	\$ 2,393,357	\$ 779,400	\$ 6,759,259
Board designated grants and contributions	600,000	-	-	600,000
Grants from government agencies	1,638,769	-	-	1,638,769
Special events (net of direct costs of \$148,187)	472,276	-	-	472,276
Other income:				
Investment income	47,758	41,573	-	89,331
Loss on sale of real property held for sale	(232,857)	-	-	(232,857)
Fee income	3,359	-	-	3,359
Reclassification of net assets	(300,000)	-	300,000	-
Net assets released from restrictions:				
Satisfaction of time restrictions	242,500	(242,500)	-	-
Satisfaction of purpose restrictions	1,446,309	(1,446,309)	-	-
Total revenues	7,504,616	746,121	1,079,400	9,330,137
Expenses:				
Program services:				
Outreach and health ministry	1,278,854	-	-	1,278,854
Open door shelters	4,484,302	-	-	4,484,302
Total program services expense	5,763,156	-	-	5,763,156
Management and general	542,535	-	-	542,535
Fund-raising	577,396	-	-	577,396
Total expenses	6,883,087	-	-	6,883,087
Change in net assets	621,529	746,121	1,079,400	2,447,050
Net assets, beginning of the year	4,300,047	912,224	201,840	5,414,111
Net assets, end of the year	\$ 4,921,576	\$ 1,658,345	\$ 1,281,240	\$ 7,861,161

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	1,262,695	-	-	1,262,695
Open door shelters	4,546,759	-	-	4,546,759
Total program services expense	<u>5,809,454</u>	<u>-</u>	<u>-</u>	<u>5,809,454</u>
Management and general	582,721	-	-	582,721
Fund-raising	126,542	-	-	126,542
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 Functional Expenses
For the Year Ended June 30, 2017**

	Outreach and Health Ministry	Open Door Shelters	Total Program Services	Management and General	Fund-raising	Total
Salaries	\$ 701,497	\$ 2,671,120	\$ 3,372,617	\$ 177,960	\$ 306,011	\$ 3,856,588
Employee benefits and payroll taxes	144,015	798,911	942,926	56,909	74,903	1,074,738
Total salaries and related expense	845,512	3,470,031	4,315,543	234,869	380,914	4,931,326
Bank charges	-	-	-	25,365	-	25,365
Consulting fees	1,000	3,451	4,451	7,026	132,333	143,810
Depreciation and amortization	76,773	153,013	229,786	8,371	5,801	243,958
Dues, books and subscriptions	13,052	23,169	36,221	36,276	7,829	80,326
Equipment leasing	1,160	9,326	10,486	2,878	4	13,368
Grants to other organizations	-	42,897	42,897	-	-	42,897
Insurance	37,576	53,408	90,984	19,126	5,393	115,503
Kitchen supplies	8,766	92,769	101,535	5,511	-	107,046
Miscellaneous expense	107	349	456	1,773	22,558	24,787
Occupancy	75,698	95,845	171,543	44,527	27,541	243,611
Office supplies	2,944	15,113	18,057	13,096	588	31,741
Postage and shipping	385	192	577	2,723	20,084	23,384
Printing	1,087	909	1,996	3,461	45,823	51,280
Professional fees	1,910	14,272	16,182	58,340	5,000	79,522
Program and medical supplies expense	44,020	26,609	70,629	402	84	71,115
Public relations	1,537	1,440	2,977	791	5,670	9,438
Repairs and maintenance	31,848	124,985	156,833	97,096	9,918	263,847
Specific assistance	3,058	32,944	36,002	-	69	36,071
Staff/volunteer street expenses	49,232	73,572	122,804	39,266	4,185	166,255
Telephone	7,463	41,369	48,832	31,338	710	80,880
Travel	4,574	13,164	17,738	24,615	7,542	49,895
Uncollectible grants	-	-	-	11,416	-	11,416
Vehicle expenses	30,414	5,775	36,189	47	10	36,246
Total functional expenses before allocation of management and general and fund-raising expenses	1,238,116	4,294,602	5,532,718	668,313	682,056	6,883,087
Allocation of management and general and fund-raising expenses	40,738	189,700	230,438	(125,778)	(104,660)	-
Total functional expenses	\$ 1,278,854	\$ 4,484,302	\$ 5,763,156	\$ 542,535	\$ 577,396	\$ 6,883,087

See accompanying independent auditor's report.

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	\$ 675,901	\$ 2,794,369	\$ 3,470,270	\$ 163,400	\$ 25,427	\$ 3,659,097
Employee benefits and payroll taxes	153,777	838,697	992,474	38,337	1,264	1,032,075
Total salaries and related expense	829,678	3,633,066	4,462,744	201,737	26,691	4,691,172
Bank charges	-	-	-	23,259	-	23,259
Consulting fees	102	29,981	30,083	2,766	13,704	46,553
Depreciation and amortization	72,428	167,382	239,810	8,485	5,368	253,663
Dues, books and subscriptions	9,517	14,141	23,658	20,097	2,673	46,428
Equipment leasing	1,000	8,066	9,066	3,642	2	12,710
Grants to other organizations	-	23,483	23,483	-	-	23,483
Insurance	45,400	51,854	97,254	21,631	4,923	123,808
Kitchen supplies	12,096	87,650	99,746	4,742	-	104,488
Miscellaneous expense	190	1,647	1,837	409	32,202	34,448
Occupancy	76,113	91,448	167,561	45,220	26,634	239,415
Office supplies	5,226	16,802	22,028	14,841	1,216	38,085
Postage and shipping	660	524	1,184	1,587	19,517	22,288
Printing	1,431	563	1,994	2,892	40,105	44,991
Professional fees	24,709	15,130	39,839	108,834	1,276	149,949
Program and medical supplies expense	18,377	16,928	35,305	240	50	35,595
Public relations	114	1,031	1,145	43	3,966	5,154
Repairs and maintenance	44,121	143,172	187,293	111,197	16,323	314,813
Specific assistance	1,609	36,586	38,195	-	16	38,211
Staff/volunteer street expenses	30,421	33,025	63,446	34,199	3,076	100,721
Telephone	6,466	34,889	41,355	27,938	4,756	74,049
Travel	8,935	13,274	22,209	26,926	1,426	50,561
Uncollectible grants	-	-	-	7,500	-	7,500
Vehicle expenses	30,199	6,838	37,037	314	22	37,373
Total functional expenses before allocation of management and general and fund-raising expenses	1,218,792	4,427,480	5,646,272	668,499	203,946	6,518,717
Allocation of management and general and fund-raising expenses	43,903	119,279	163,182	(85,778)	(77,404)	-
Total functional expenses	\$ 1,262,695	\$ 4,546,759	\$ 5,809,454	\$ 582,721	\$ 126,542	\$ 6,518,717

See accompanying independent auditor's report.

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

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,447,050	\$ (321,108)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	243,958	253,663
Gain on investments	(72,465)	(4,084)
Noncash contribution of real property	(925,000)	-
Contributions received restricted to the endowment	(279,400)	-
Loss on sale of real property held for sale	232,857	-
Changes in:		
Receivables	(983,167)	(316,718)
Prepaid expenses	(78,512)	20,534
Security deposits	4,160	(599)
Accounts payable and accrued expenses	135,686	(6,977)
Net cash from operating activities	<u>725,167</u>	<u>(375,289)</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	652,510	478,066
Proceeds from real property held for sale	692,143	-
Purchase of investments	(1,557,664)	(611,091)
Purchases of property and equipment	(88,555)	(72,016)
Net cash from investing activities	<u>(301,566)</u>	<u>(205,041)</u>
Cash flows from financing activities - contributions received restricted to the endowment	<u>279,400</u>	-
Net change in cash and cash equivalents	703,001	(580,330)
Cash and cash equivalents, beginning of the year	<u>1,058,335</u>	<u>1,638,665</u>
Cash and cash equivalents, end of the year	<u>\$ 1,761,336</u>	<u>\$ 1,058,335</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 2017 and 2016, management estimates the Organization received approximately 28,000 and 35,000 hours of volunteer services valued at \$788,000 and \$908,000, 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 \$222,000 and \$240,000 of donated goods and materials during fiscal years 2017 and 2016, 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 ensure 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. In the year ended June 30, 2017, the Organization received support from three separate donors totaling \$3,125,000. The same donors provided \$700,000 of support in the year ended June 30, 2016.

Reclassifications – Certain reclassifications have been made to the financial statements for the year ended June 30, 2016, to conform with the current year presentation. The reclassifications had no effect on the change in net assets for the year ended June 30, 2016.

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

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:

	2017	2016
Agencies of the State of Illinois	\$ 83,924	\$ 117,377
Agencies of the City of Chicago	248,567	85,583
U.S. Department of Health and Human Services	74,401	-
U.S. Department of Housing and Urban Development	92,231	92,231
	\$ 499,123	\$ 295,191

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 totaling \$1,102,675 at June 30, 2017 (\$357,421 at June 30, 2016). Of that amount, \$500,000 was donor-restricted for TNM's endowment and has been presented separately on the statement of financial position. All contributions receivable are expected to be received during the year ended June 30, 2018. All contributions receivable at June 30, 2016, were received during the year ended June 30, 2017.

Included in the balance of contributions receivable at June 30, 2017, is a \$800,000 unconditional promise to give from a private foundation. Included in the balance of contributions receivable at June 30, 2016, is a \$200,000 unconditional promise to give due from a private foundation.

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

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 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, 2017 and 2016.

Certificates of Deposit – Valued at an estimated fair value as of June 30, 2017 and 2016, 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 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 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 Organization's investments are presented on the statement of financial position as both investments and assets invested for endowment purposes. The following details investments as presented on the statement of financial position at June 30:

	2017	2016
Investments	\$ 200,000	\$ 561,273
Assets invested for endowment purposes	1,706,093	367,201
	\$ 1,906,093	\$ 928,474

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, 2017				
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 200,000	\$ -	\$ 200,000
Mutual funds	672,414	-	-	672,414
Exchange traded funds	1,033,679	-	-	1,033,679
	\$ 1,706,093	\$ 200,000	\$ -	\$ 1,906,093

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

Investment income for the year ended June 30, 2017, consisted of interest and dividends of \$16,866 and gains of \$72,465 (\$9,377 of interest and \$4,084 of gains for the year ended June 30, 2016).

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)

During the year ended June 30, 2017, AMO received a contribution of real property with an appraised value of \$925,000. Once the property was conveyed, AMO held the property for sale. The property sold during the year ended June 30, 2017, for a sales price net of costs to sell of \$692,143 resulting in a loss on the sale of the property of \$232,857.

6. Property and Equipment

At June 30, 2017 and 2016, the cost and accumulated depreciation and amortization for property and equipment were as follows:

	<u>2017</u>	<u>2016</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	3,103,586
Building improvements – Lakeview Shelter	539,630	513,075
Equipment	1,448,170	1,419,944
Furniture and fixtures	206,038	206,038
Vehicles	919,252	954,178
Software	62,171	62,171
Leasehold improvements	422,462	422,462
	<u>7,366,906</u>	<u>7,347,051</u>
Less accumulated amortization	418,049	415,303
Less accumulated depreciation	<u>4,055,212</u>	<u>3,882,700</u>
	<u>\$ 2,893,645</u>	<u>\$ 3,049,048</u>

Depreciation expense charged to operations for the fiscal years ended June 30, 2017 and 2016, totaled \$241,212 and \$250,710, respectively. Amortization expense charged to operations for the fiscal years ended June 30, 2017 and 2016, totaled \$2,746 and \$2,953, 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.

In addition, the Organization leases office and program equipment through rental agreements that expire at various dates through September 2023.

Future fiscal year minimum lease obligations under these agreements as of June 30, 2017, are as follows:

	Facilities, Storage Space, and Parking Space	Equipment	Total
2018	\$ 145,772	\$ 18,122	\$ 163,894
2019	151,047	18,122	169,169
2020	88,022	17,965	105,987
2021	-	7,098	7,098
2022	-	3,528	3,528
2023	-	588	588
	<u>\$ 384,841</u>	<u>\$ 65,423</u>	<u>\$ 450,264</u>

Total charges to operations for rental expense during the fiscal years ended June 30, 2017 and 2016, amounted to \$225,567 and \$224,168, respectively.

In addition to the above leases, 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 \$324,624 for the year ended June 30, 2017 (\$316,599 for the year ended June 30, 2016).

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 \$600,000 for the year ended June 30, 2017 (\$700,000 for the year ended June 30, 2016). 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 for the general charitable purposes of the Organization and has been classified as a component of unrestricted net assets.

The net assets designated by the Board of Directors consist of the following at June 30:

	<u>2017</u>	<u>2016</u>
Reserve fund	\$ 485,224	\$ 230,833
Board designated endowment	<u>877,530</u>	<u>159,611</u>
Board designated net assets, end of year	<u>\$ 1,362,754</u>	<u>\$ 390,444</u>

9. Temporarily Restricted Net Assets

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

	<u>2017</u>	<u>2016</u>
Outreach health services	\$ 703,803	\$ 446,886
Interim shelters	304,610	22,500
Staff development	40,000	-
Website	20,000	-
Space planning and program capital	237,609	-
Performance measurement	<u>100,000</u>	<u>-</u>
Total purpose restrictions	1,406,022	469,386
Donor-restricted endowment investment income	47,323	5,750
Future periods	<u>205,000</u>	<u>437,088</u>
Total temporarily restricted	<u>\$ 1,658,345</u>	<u>\$ 912,224</u>

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

10. Endowments

Permanently restricted net assets consist of the corpus of donor-restricted contributions to TNM's endowment. TNM's endowment includes a donor-restricted endowment fund and a fund 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 and 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 underlying assets of TNM' endowment, which includes both donor-restricted and Board designated endowment funds consist of the following at June 30:

	<u>2017</u>	<u>2016</u>
Contributions receivable intended for the endowment	\$ 500,000	\$ -
Assets invested for endowment purposes	1,706,093	367,201
Total underlying assets of the endowment	<u>\$ 2,206,093</u>	<u>\$ 367,201</u>

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 Endowment			Total Endowment Funds
		Unrestricted, Undesignated	Temporarily Restricted	Permanently Restricted	
Balance, June 30, 2015	\$ 152,580	\$ (1,510)	\$ -	\$ 201,840	\$ 352,910
Investment income:					
Gain	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
Contributions and designations	673,893	-	-	1,079,400	1,753,293
Investment income:					
Gain	37,819	-	33,817	-	71,636
Interest and dividends	6,207	-	7,756	-	13,963
Balance, June 30, 2017	\$ 877,530	\$ -	\$ 47,323	\$ 1,281,240	\$ 2,206,093

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.

Reclassification of Net Assets – In fiscal 2017, AMO made contributions restricted to TNM's endowment. Since these amounts are eliminated in the consolidation of TNM and AMO, and AMO's net assets are generally considered to be part of consolidated unrestricted net assets, a reclassification of net assets was necessary to reflect the restriction placed on these contributions by AMO. Accordingly, the amount of the contribution restricted for the endowment by AMO of \$300,000 was reclassified from unrestricted net assets to permanently restricted net assets.

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.

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

11. Retirement Plan (cont'd)

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 \$87,540 for the year ended June 30, 2017 (\$62,965 for the year ended June 30, 2016).

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, 2017, amounts maintained in excess of FDIC insured limits or in non FDIC insured money market fund accounts amounted to \$833,768.

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, 2014, filed on the 2013 tax form. TNM and AMO do not expect a material net change in unrecognized tax benefits in the next twelve months.

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

15. Subsequent Events

Subsequent to year end, TNM was notified they were awarded grants approximating \$1,120,000.

The financial statements were available to be issued on December 6, 2017, with subsequent events being evaluated through this date.

The Night Ministry and Subsidiary
Consolidating Statement of Financial Position
June 30, 2017

Assets	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash and cash equivalents	\$ 1,309,969	\$ 451,367	\$ -	\$ 1,761,336
Contributions receivable	602,675	-	-	602,675
Government receivables	499,123	-	-	499,123
Miscellaneous receivables	36,453	21,691	(21,691)	36,453
Prepaid expenses	120,257	190	-	120,447
Security deposits	10,000	-	-	10,000
Investments	-	200,000	-	200,000
Property and equipment, net of accumulated depreciation and amortization	254,993	2,638,652	-	2,893,645
Contributions receivable restricted for the endowment	500,000	-	-	500,000
Assets invested for endowment purposes	1,706,093	-	-	1,706,093
Total assets	\$ 5,039,563	\$ 3,311,900	\$ (21,691)	\$ 8,329,772
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 482,231	\$ 8,071	\$ (21,691)	\$ 468,611
Total liabilities	482,231	8,071	(21,691)	468,611
Net assets:				
Unrestricted:				
Undesignated for general activities	-	665,177	-	665,177
Designated by the Board of Directors	1,362,754	-	-	1,362,754
Invested in building and equipment	254,993	2,638,652	-	2,893,645
Total unrestricted	1,617,747	3,303,829	-	4,921,576
Temporarily restricted:				
Purpose	1,406,022	-	-	1,406,022
Future periods	252,323	-	-	252,323
Total temporarily restricted	1,658,345	-	-	1,658,345
Permanently restricted net assets	1,281,240	-	-	1,281,240
Total net assets	4,557,332	3,303,829	-	7,861,161
Total liabilities and net assets	\$ 5,039,563	\$ 3,311,900	\$ (21,691)	\$ 8,329,772

See accompanying independent auditor's report.

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 Activities
For the Year Ended June 30, 2017**

	The Night Ministry			Total	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
	Unrestricted	Temporarily Restricted	Permanently Restricted				
Revenues:							
Public support:							
Grants, contributions and bequests	\$ 3,653,530	\$ 2,393,357	\$ 779,400	\$ 6,826,287	\$ 925,000	\$ (992,028)	\$ 6,759,259
Board designated grants and contributions	600,000	-	-	600,000	-	-	600,000
Grants from government agencies	1,638,769	-	-	1,638,769	-	-	1,638,769
Special events (net of direct costs of \$148,187)	472,276	-	-	472,276	-	-	472,276
Other income:							
Investment income	45,865	41,573	-	87,438	1,893	-	89,331
Loss on sale of real property held for sale	-	-	-	-	(232,857)	-	(232,857)
Rental income	-	-	-	-	324,624	(324,624)	-
Fee income	3,359	-	-	3,359	-	-	3,359
Reclassification of net assets	(300,000)	-	300,000	-	-	-	-
Net assets released from restriction:							
Satisfaction of time restrictions	242,500	(242,500)	-	-	-	-	-
Satisfaction of purpose restrictions	1,446,309	(1,446,309)	-	-	-	-	-
Total revenues	7,802,608	746,121	1,079,400	9,628,129	1,018,660	(1,316,652)	9,330,137
Expenses:							
Program services:							
Outreach and health ministry	1,278,854	-	-	1,278,854	-	-	1,278,854
Open door shelters	4,477,655	-	-	4,477,655	1,323,299	(1,316,652)	4,484,302
Total program services	5,756,509	-	-	5,756,509	1,323,299	(1,316,652)	5,763,156
Management and general	538,465	-	-	538,465	4,070	-	542,535
Fund-raising	577,396	-	-	577,396	-	-	577,396
Total expenses	6,872,370	-	-	6,872,370	1,327,369	(1,316,652)	6,883,087
Change in net assets	930,238	746,121	1,079,400	2,755,759	(308,709)	-	2,447,050
Net assets, beginning of the year	687,509	912,224	201,840	1,801,573	3,612,538	-	5,414,111
Net assets, end of the year	\$ 1,617,747	\$ 1,658,345	\$ 1,281,240	\$ 4,557,332	\$ 3,303,829	\$ -	\$ 7,861,161

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	1,262,695	-	-	1,262,695	-	-	1,262,695
Open door shelters	4,493,417	-	-	4,493,417	469,941	(416,599)	4,546,759
Total program services	5,756,112	-	-	5,756,112	469,941	(416,599)	5,809,454
Management and general	580,097	-	-	580,097	2,624	-	582,721
Fund-raising	126,542	-	-	126,542	-	-	126,542
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 Functional Expenses
For the Year Ended June 30, 2017**

	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	\$ 701,497	\$ 2,608,915	\$ 3,310,412	\$ 177,960	\$ 306,011	\$ 3,794,383	\$ -	\$ -	\$ -	\$ 62,205	\$ 3,856,588
Employee benefits and payroll taxes	144,015	798,911	942,926	56,909	74,903	1,074,738	-	-	-	-	1,074,738
Total salaries and related expense	845,512	3,407,826	4,253,338	234,869	380,914	4,869,121	-	-	-	62,205	4,931,326
Bank charges	-	-	-	25,325	-	25,325	-	40	40	-	25,365
Consulting fees	1,000	3,451	4,451	7,026	132,333	143,810	-	-	-	-	143,810
Depreciation and amortization	76,773	8,013	84,786	8,371	5,801	98,958	145,000	-	145,000	-	243,958
Dues, books and subscriptions	13,052	23,169	36,221	36,246	7,829	80,296	-	30	30	-	80,326
Equipment leasing	1,160	9,326	10,486	2,878	4	13,368	-	-	-	-	13,368
Grants to other organizations	-	42,897	42,897	-	-	42,897	992,028	-	992,028	(992,028)	42,897
Insurance	37,576	36,047	73,623	17,950	5,393	96,966	17,361	1,176	18,537	-	115,503
Kitchen supplies	8,766	92,769	101,535	5,511	-	107,046	-	-	-	-	107,046
Miscellaneous expense	107	349	456	1,773	22,558	24,787	-	-	-	-	24,787
Occupancy	75,698	388,856	464,554	44,527	27,541	536,622	31,613	-	31,613	(324,624)	243,611
Office supplies	2,944	15,113	18,057	12,858	588	31,503	-	238	238	-	31,741
Postage and shipping	385	192	577	2,723	20,084	23,384	-	-	-	-	23,384
Printing	1,087	909	1,996	3,461	45,823	51,280	-	-	-	-	51,280
Professional fees	1,910	10,921	12,831	56,140	5,000	73,971	49,702	2,200	51,902	(46,351)	79,522
Program and medical supplies expense	44,020	26,609	70,629	402	84	71,115	-	-	-	-	71,115
Public relations	1,537	1,440	2,977	791	5,670	9,438	-	-	-	-	9,438
Repairs and maintenance	31,848	53,244	85,092	97,096	9,918	192,106	87,595	-	87,595	(15,854)	263,847
Specific assistance	3,058	32,944	36,002	-	69	36,071	-	-	-	-	36,071
Staff/volunteer street expenses	49,232	73,572	122,804	38,906	4,185	165,895	-	360	360	-	166,255
Telephone	7,463	41,369	48,832	31,338	710	80,880	-	-	-	-	80,880
Travel	4,574	13,164	17,738	24,589	7,542	49,869	-	26	26	-	49,895
Uncollectible grants	-	-	-	11,416	-	11,416	-	-	-	-	11,416
Vehicle expenses	30,414	5,775	36,189	47	10	36,246	-	-	-	-	36,246
Total functional expenses before allocation of management and general and fund-raising expenses	1,238,116	4,287,955	5,526,071	664,243	682,056	6,872,370	1,323,299	4,070	1,327,369	(1,316,652)	6,883,087
Allocation of management and general and fund-raising expenses	40,738	189,700	230,438	(125,778)	(104,660)	-	-	-	-	-	-
Total functional expenses	\$ 1,278,854	\$ 4,477,655	\$ 5,756,509	\$ 538,465	\$ 577,396	\$ 6,872,370	\$ 1,323,299	\$ 4,070	\$ 1,327,369	\$ (1,316,652)	\$ 6,883,087

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	\$ 675,901	\$ 2,734,683	\$ 3,410,584	\$ 163,400	\$ 25,427	\$ 3,599,411	\$ -	\$ -	\$ -	\$ 59,686	\$ 3,659,097
Employee benefits and payroll taxes	153,777	838,697	992,474	38,337	1,264	1,032,075	-	-	-	-	1,032,075
Total salaries and related expense	829,678	3,573,380	4,403,058	201,737	26,691	4,631,486	-	-	-	59,686	4,691,172
Bank charges	-	-	-	23,259	-	23,259	-	-	-	-	23,259
Consulting fees	102	29,981	30,083	2,766	13,704	46,553	-	-	-	-	46,553
Depreciation and amortization	72,428	16,527	88,955	8,485	5,368	102,808	150,855	-	150,855	-	253,663
Dues, books and subscriptions	9,517	14,061	23,578	20,072	2,673	46,323	80	25	105	-	46,428
Equipment leasing	1,000	8,066	9,066	3,642	2	12,710	-	-	-	-	12,710
Grants to other organizations	-	23,483	23,483	-	-	23,483	100,000	-	100,000	(100,000)	23,483
Insurance	45,400	45,883	91,283	20,512	4,923	116,718	5,971	1,119	7,090	-	123,808
Kitchen supplies	12,096	87,582	99,678	4,742	-	104,420	68	-	68	-	104,488
Miscellaneous expense	190	1,647	1,837	409	32,202	34,448	-	-	-	-	34,448
Occupancy	76,113	375,932	452,045	45,220	26,634	523,899	32,115	-	32,115	(316,599)	239,415
Office supplies	5,226	16,802	22,028	14,841	1,216	38,085	-	-	-	-	38,085
Postage and shipping	660	524	1,184	1,587	19,517	22,288	-	-	-	-	22,288
Printing	1,431	563	1,994	2,892	40,105	44,991	-	-	-	-	44,991
Professional fees	24,709	4,490	29,199	108,474	1,276	138,949	51,948	360	52,308	(41,308)	149,949
Program and medical supplies expense	18,377	16,928	35,305	240	50	35,595	-	-	-	-	35,595
Public relations	114	1,031	1,145	43	3,966	5,154	-	-	-	-	5,154
Repairs and maintenance	44,121	32,646	76,767	110,361	16,323	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	30,421	33,025	63,446	33,915	3,076	100,437	-	284	284	-	100,721
Telephone	6,466	34,889	41,355	27,938	4,756	74,049	-	-	-	-	74,049
Travel	8,935	13,274	22,209	26,926	1,426	50,561	-	-	-	-	50,561
Uncollectible grants	-	-	-	7,500	-	7,500	-	-	-	-	7,500
Vehicle expenses	30,199	6,838	37,037	314	22	37,373	-	-	-	-	37,373
Total functional expenses before allocation of management and general and fund-raising expenses	1,218,792	4,374,138	5,592,930	665,875	203,946	6,462,751	469,941	2,624	472,565	(416,599)	6,518,717
Allocation of management and general and fund-raising expenses	43,903	119,279	163,182	(85,778)	(77,404)	-	-	-	-	-	-
Total functional expenses	\$ 1,262,695	\$ 4,493,417	\$ 5,756,112	\$ 580,097	\$ 126,542	\$ 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 Cash Flows
For the Year Ended June 30, 2017**

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash flows from operating activities:				
Change in net assets	\$ 2,755,759	\$ (308,709)	\$ -	\$ 2,447,050
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation and amortization	98,958	145,000	-	243,958
Loss (Gain) on investments	(72,679)	214	-	(72,465)
Noncash contribution of real property	-	(925,000)	-	(925,000)
Contributions received restricted to the endowment	(579,400)	-	300,000	(279,400)
Loss on sale of real property held for sale	-	232,857	-	232,857
Changes in:				
Receivables	(983,167)	(21,691)	21,691	(983,167)
Prepaid expenses	(86,350)	7,838	-	(78,512)
Security deposits	4,160	-	-	4,160
Accounts payable and accrued expenses	152,517	4,860	(21,691)	135,686
Net cash from operating activities	1,289,798	(864,631)	300,000	725,167
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	252,724	399,786	-	652,510
Proceeds from sale of real property held for sale	-	692,143	-	692,143
Purchase of investments	(1,357,664)	(200,000)	-	(1,557,664)
Purchases of property and equipment	(56,886)	(31,669)	-	(88,555)
Net cash from investing activities	(1,161,826)	860,260	-	(301,566)
Cash flows from financing activities - contributions received restricted to the endowment	579,400	-	(300,000)	279,400
Net change in cash and cash equivalents	707,372	(4,371)	-	703,001
Cash and cash equivalents, beginning of the year	602,597	455,738	-	1,058,335
Cash and cash equivalents, end of the year	\$ 1,309,969	\$ 451,367	\$ -	\$ 1,761,336

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 net assets	\$ (166,634)	\$ (154,474)	\$ -	\$ (321,108)
Adjustments to reconcile change in 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.