

**THE NIGHT MINISTRY
AND SUBSIDIARY**

Chicago, Illinois

CONSOLIDATED FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended
June 30, 2019 and 2018

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THE NIGHT MINISTRY AND SUBSIDIARY
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June 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Night Ministry and Subsidiary
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Night Ministry and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 consolidated financial position of The Night Ministry and Subsidiary as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2019, the Organization adopted new accounting guidance related to the Financial Accounting Standards Board Accounting Standard Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matters

Prior Period Financial Statements

The consolidated financial statements of the Organization as of June 30, 2018 were audited by other auditors whose report dated December 4, 2018, expressed an unmodified opinion on those financial statements.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information included in the supplementary information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations, and it is 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 consolidating 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 consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
December 3, 2019

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidated Statements of Financial Position
As of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 2,978,061	\$ 2,038,881
Contributions receivable	1,569,817	653,750
Government receivables	182,217	200,961
Miscellaneous receivables	3,052	2,997
Prepaid expenses	174,608	142,907
Security deposits	10,000	10,000
Investments	400,000	400,000
Property and equipment, net of accumulated depreciation and amortization	2,835,018	2,729,835
Assets invested for endowment purposes	3,815,731	2,845,252
TOTAL ASSETS	<u>\$ 11,968,504</u>	<u>\$ 9,024,583</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 451,041</u>	<u>\$ 486,733</u>
Net Assets		
Without donor restrictions		
Undesignated for general activities	955,944	1,417,629
Designated by the Boards of Directors	2,188,650	1,329,957
Invested in building and equipment	2,835,018	2,729,835
Total net assets without donor restrictions	<u>5,979,612</u>	<u>5,477,421</u>
With donor restrictions		
Purpose	4,156,260	1,234,189
Future periods	20,351	465,000
In perpetuity	1,361,240	1,361,240
Total net assets with donor restrictions	<u>5,537,851</u>	<u>3,060,429</u>
Total net assets	<u>11,517,463</u>	<u>8,537,850</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,968,504</u>	<u>\$ 9,024,583</u>

See accompanying notes to consolidated financial statements.

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidated Statement of Activities
For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Public support:			
Grants, contributions and bequests	\$ 4,004,929	\$ 5,275,039	\$ 9,279,968
Grants from government agencies	1,762,313	-	1,762,313
In-kind revenue	319,524	-	319,524
Special events (net of direct costs of \$147,380)	342,122	-	342,122
Other Income:			
Investment income	181,567	111,811	293,378
Fee income	131	-	131
Net assets released from restrictions:			
Satisfaction of time restrictions	450,000	(450,000)	-
Satisfaction of purpose restrictions	2,459,428	(2,459,428)	-
Total revenues	9,520,014	2,477,422	11,997,436
Expenses			
Program services			
Outreach and health ministry	1,614,427	-	1,614,427
Shelter programs	5,610,194	-	5,610,194
Total program services expense	7,224,621	-	7,224,621
Management and general	858,874	-	858,874
Fund-raising	934,328	-	934,328
Total expense	9,017,823	-	9,017,823
Change in Net Assets	502,191	2,477,422	2,979,613
Net Assets, Beginning of Year	5,477,421	3,060,429	8,537,850
Net Assets, End of Year	\$ 5,979,612	\$ 5,537,851	\$ 11,517,463

See accompanying notes to consolidated financial statements.

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidated Statement of Activities
For the Year Ended June 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Public support:			
Grants, contributions and bequests	\$ 3,658,427	\$ 2,106,504	\$ 5,764,931
Board designated grants and contributions	600,000	-	600,000
Grants from government agencies	1,610,008	-	1,610,008
Special events (net of direct costs of \$165,945)	397,676	-	397,676
Other Income:			
Investment income	98,942	106,732	205,674
Fee income	684	-	684
Net assets released from restrictions:			
Satisfaction of time restrictions	255,000	(255,000)	-
Satisfaction of purpose restrictions	1,837,392	(1,837,392)	-
Total revenues	<u>8,458,129</u>	<u>120,844</u>	<u>8,578,973</u>
Expenses			
Program services			
Outreach and health ministry	1,399,143	-	1,399,143
Shelter programs	5,036,012	-	5,036,012
Total program services expense	6,435,155	-	6,435,155
Management and general	670,392	-	670,392
Fund-raising	796,737	-	796,737
Total expense	<u>7,902,284</u>	<u>-</u>	<u>7,902,284</u>
Change in Net Assets	<u>555,845</u>	<u>120,844</u>	<u>676,689</u>
Net Assets, Beginning of Year	<u>4,921,576</u>	<u>2,939,585</u>	<u>7,861,161</u>
Net Assets, End of Year	<u><u>\$ 5,477,421</u></u>	<u><u>\$ 3,060,429</u></u>	<u><u>\$ 8,537,850</u></u>

See accompanying notes to consolidated financial statements.

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidated Statement of Functional Expenses For the Year Ended June 30, 2019

	Outreach and Health Ministry	Shelter Programs	Total Program Services	Management and General	Fund-raising	Total
Salaries	\$ 929,744	\$ 3,443,257	\$ 4,373,001	\$ 296,434	\$ 492,296	\$ 5,161,731
Employee benefits and payroll taxes	226,969	827,524	1,054,493	109,297	140,117	1,303,907
Total salaries and related expense	1,156,713	4,270,781	5,427,494	405,731	632,413	6,465,638
Bank charges	-	-	-	32,992	-	32,992
Consulting fees	-	10,017	10,017	17,899	217,719	245,635
Depreciation and amortization	76,724	145,916	222,640	8,390	5,065	236,095
Dues, books and subscriptions	15,132	26,343	41,475	29,261	11,278	82,014
Equipment leasing	6,229	8,461	14,690	2,126	-	16,816
Grants to other organizations	-	14,543	14,543	-	-	14,543
In-kind expense	56,781	262,743	319,524	-	-	319,524
Insurance	32,349	58,379	90,728	23,425	3,432	117,585
Kitchen supplies	9,737	136,942	146,679	10,349	23	157,051
Miscellaneous expense	8	45	53	1,784	2,307	4,144
Occupancy	61,193	121,223	182,416	134,625	36,032	353,073
Office supplies	969	11,743	12,712	12,011	820	25,543
Postage and shipping	144	107	251	1,744	18,957	20,952
Printing	296	1,118	1,414	693	47,379	49,486
Professional fees	7,257	17,788	25,045	56,250	744	82,039
Program and medical supplies expense	44,225	22,081	66,306	2,223	822	69,351
Public relations	842	2,281	3,123	767	37,757	41,647
Repairs and maintenance	43,895	147,470	191,365	140,466	11,280	343,111
Specific assistance	8,784	46,224	55,008	-	10	55,018
Staff/volunteer street expenses	7,968	24,413	32,381	58,235	3,280	93,896
Telephone	6,552	56,142	62,694	22,866	650	86,210
Travel	7,604	16,912	24,516	31,763	2,045	58,324
Vehicle expenses	40,458	6,423	46,881	191	64	47,136
Total functional expenses before allocation of management and general and fund-raising expenses	1,583,860	5,408,095	6,991,955	993,791	1,032,077	9,017,823
Allocation of management and general and fund-raising expenses	30,567	202,099	232,666	(134,917)	(97,749)	-
Total functional expenses	\$ 1,614,427	\$ 5,610,194	\$ 7,224,621	\$ 858,874	\$ 934,328	\$ 9,017,823

See accompanying notes to consolidated financial statements.

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2018

	Outreach and Health Ministry	Shelter Programs	Total Program Services	Management and General	Fund-raising	Total
Salaries	\$ 810,553	\$ 3,086,930	\$ 3,897,483	\$ 205,191	\$ 443,489	\$ 4,546,163
Employee benefits and payroll taxes	167,281	848,889	1,016,170	81,296	119,584	1,217,050
Total salaries and related expense	977,834	3,935,819	4,913,653	286,487	563,073	5,763,213
Bank charges	-	-	-	30,529	-	30,529
Consulting fees	14,250	6,760	21,010	31,298	150,371	202,679
Depreciation and amortization	72,669	142,962	215,631	6,537	3,884	226,052
Dues, books and subscriptions	15,834	31,638	47,472	41,101	5,535	94,108
Equipment leasing	1,594	18,062	19,656	3,358	-	23,014
Grants to other organizations	-	36,063	36,063	-	-	36,063
Insurance	31,897	56,019	87,916	20,889	4,784	113,589
Kitchen supplies	12,500	139,987	152,487	8,776	-	161,263
Miscellaneous expense	114	191	305	609	2,096	3,010
Occupancy	48,925	113,797	162,722	65,158	33,648	261,528
Office supplies	2,072	33,276	35,348	16,920	1,018	53,286
Postage and shipping	232	223	455	3,001	19,090	22,546
Printing	385	1,174	1,559	3,236	30,006	34,801
Professional fees	2,775	3,052	5,827	71,747	10,800	88,374
Program and medical supplies expense	44,622	25,166	69,788	3,503	2,185	75,476
Public relations	360	1,477	1,837	667	22,288	24,792
Repairs and maintenance	36,542	151,054	187,596	84,355	23,535	295,486
Specific assistance	5,190	47,725	52,915	-	-	52,915
Staff/volunteer street expenses	22,913	25,928	48,841	54,279	11,833	114,953
Telephone	8,220	61,969	70,189	28,962	720	99,871
Travel	6,444	13,355	19,799	35,709	1,853	57,361
Vehicle expenses	58,652	8,426	67,078	124	173	67,375
Total functional expenses before allocation of management and general and fund-raising expenses	1,364,024	4,854,123	6,218,147	797,245	886,892	7,902,284
Allocation of management and general and fund-raising expenses	35,119	181,889	217,008	(126,853)	(90,155)	-
Total functional expenses	\$ 1,399,143	\$ 5,036,012	\$ 6,435,155	\$ 670,392	\$ 796,737	\$ 7,902,284

See accompanying notes to consolidated financial statements.

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THE NIGHT MINISTRY AND SUBSIDIARY

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in new assets	\$ 2,979,613	\$ 676,689
Adjustments to reconcile change in net assets to cash flows from operating activities		
Depreciation and amortization	236,095	226,052
Gain on investments	(186,531)	(153,529)
Contributions restricted to the endowment and capital campaign	(1,367,475)	(80,000)
Changes in:		
Receivables	235,550	280,543
Prepaid expenses	(31,701)	(22,460)
Accounts payable and accrued expenses	(35,692)	18,122
	1,829,859	945,417
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	-	2,566,090
Purchase of investments	(783,948)	(3,751,720)
Purchases of property and equipment	(341,278)	(62,242)
	(1,125,226)	(1,247,872)
Cash flows from financing activities:		
Contributions received restricted to the endowment and capital campaign	234,547	580,000
	939,180	277,545
Net change in cash and cash equivalents	939,180	277,545
Cash and cash equivalents, beginning of the year	2,038,881	1,761,336
Cash and cash equivalents, end of the year	\$ 2,978,061	\$ 2,038,881

See accompanying notes to consolidated financial statements.

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 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 five 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".

NOTE 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.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations, or are required to be maintained in perpetuity by the Organization.

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 2 - Summary of Significant Accounting Policies (cont.)

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). Donated services meeting this criteria in the amount of \$56,781 are reflected in the accompanying consolidated financial statements as in-kind revenue and expense for 2019.

A substantial number of volunteers have donated significant amounts of their time to the Organization's programs and supporting services, but do not meet the criteria to be recorded in the consolidated financial statements. During fiscal years 2019 and 2018, management estimates the Organization received approximately 26,000 and 31,000 hours of volunteer services valued at approximately \$785,000 and \$1,029,000, respectively.

Donated Materials

The Organization received \$262,743 and \$364,000 of donated goods and materials during fiscal years 2019 and 2018, respectively, which are reflected in the accompanying financial statements as in-kind revenue and expense in 2019.

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.

Promises to Give

Unconditional promises to give made to the Organization are recorded in the year the pledge is made. No allowance for uncollectible promises to give is determined based on past experience.

Investments and Assets Invested for Endowment Purposes

Investments in certificates of deposit, money market funds, and marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets in accordance with donor restrictions.

Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. The Organization records the change of ownership of bonds and stocks on the day a trade is made. Investment income or loss and unrealized gains or losses are included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Property and Equipment

Property and equipment are stated at cost or estimated fair 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 fair value if donated. Amortization is provided on a straight-line basis over the term of the lease. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Donated property and equipment are recorded as increases in net assets without donor restrictions at their estimated fair market value as of the date received. Contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. The Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Grants, Contributions, and Bequests

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. The expenses that are allocated include occupancy, and depreciation and amortization, which are allocated on a square footage, as well as salaries and wages, employee benefits, payroll taxes, professional fees, travel, supplies and other, which are allocated based on estimated time and effort.

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, 2019, the Organization received support from four non-governmental donors totaling \$2,400,000. In the year ended June 30, 2018, the Organization received support from three non-governmental donors totaling \$2,000,000. The Organization's grant revenue from governmental agencies as shown on the consolidated statement of activities is from two Federal governmental agencies, one agency in the State of Illinois, and the City of Chicago.

New Accounting Pronouncement Adopted in Current Year

In 2019, the Organization adopted the Financial Accounting Standard Board's (FASB) Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU No. 2016-14 addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these financial statements accordingly. ASU No. 2016-14 has been applied retrospectively to all periods presented, except for the disclosures around liquidity and availability of resources. These disclosures have been presented for 2019 only, as allowed by ASU No. 2016-14.

The new standard changes the following aspects of the financial statements:

- The unrestricted net assets class has been renamed net assets without donor restrictions;
- The temporarily and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions;
- The financial statements include a disclosure about liquidity and availability of resources at June 30, 2019 (Note 11).

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 2 - Summary of Significant Accounting Policies (cont.)

New Accounting Pronouncements Not Yet Effective

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)* that amends the treatment for leases. The new accounting model for leases capitalizes all leases greater than twelve months, both capital and operating, as assets and liabilities on the statement of financial position. During 2018, additional updates were issued which permit an entity to elect an optional transition practical expedient to not evaluate land easements that existed or expired before the entity's adoption of Topic 842 and were not previously accounted for under ASC 840; address narrow aspects of the guidance originally issued; provide entities with an additional (and optional) transition method whereby an entity initially applies the new leases standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of net assets in the period of adoption and also provides lessors with a practical expedient, by class of underlying asset, to not separate non-lease components from the associated lease component and, instead, to account for those components as a single component; and address sales and other similar taxes collected from lessees, certain lessor costs, and the recognition of variable payments for contracts with lease and non-lease components. The Organization will be required to apply the standard for annual periods beginning after December 15, 2020 (fiscal 2022). Early adoption is permitted. Management is currently assessing the effect that ASU No. 2016-02 will have on its financial statements.

NOTE 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:

	2019	2018
Agencies of the State of Illinois	\$ 33,744	\$ 9,801
Agencies of the City of Chicago	82,716	113,527
U.S. Department of Health and Human Services	47,976	57,335
U.S. Department of Housing and Urban Development	17,781	20,298
	<u>\$ 182,217</u>	<u>\$ 200,961</u>

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 4 - Contributions Receivable

Unconditional promises to give are included in the consolidated 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 \$1,569,817 and \$653,750 at June 30, 2019 and 2018, respectively. Of the amount receivable at June 30, 2019, \$1,169,817 was expected to be received within one year and \$400,000 was expected to be received between one and five years.

NOTE 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.

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

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

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, 2019 and 2018.

Certificates of Deposit

Considered level 2 and valued based on quoted prices for similar assets in an active market if the original term of the certificate is greater than three months. If the original term of the certificate is less than three months, it is recorded as a cash equivalent.

Money Market Funds, Mutual Funds, and Exchange-Traded Funds (ETFs)

Considered level 1 and 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 Organization's investments are presented on the consolidated statements of financial position as both investments and assets invested for endowment purposes. The following details investments as presented on the consolidated statements of financial position at June 30:

	<u>2019</u>	<u>2018</u>
Investments	\$ 400,000	\$ 400,000
Assets invested for endowment purposes	<u>3,815,731</u>	<u>2,845,252</u>
	<u>\$ 4,215,731</u>	<u>\$ 3,245,252</u>

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

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

The following table sets forth by level within the fair value hierarchy the Organization's assets measured at fair value on a recurring basis as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Certificate of deposit	\$ -	\$ 400,000	\$ -	\$ 400,000
Money market funds	111	-	-	111
Mutual funds	2,377,018	-	-	2,377,018
Exchange traded funds	1,438,602	-	-	1,438,602
	\$ 3,815,731	\$ 400,000	\$ -	\$ 4,215,731

The following table sets forth by level within the fair value hierarchy the Organization's assets measured at fair value on a recurring basis as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 400,000	\$ -	\$ 400,000
Money market funds	11,083	-	-	11,083
Mutual funds	1,104,763	-	-	1,104,763
Exchange traded funds	1,729,406	-	-	1,729,406
	\$ 2,845,252	\$ 400,000	\$ -	\$ 3,245,252

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 6 – Property and Equipment

At June 30, 2019 and 2018, the cost and accumulated depreciation and amortization for property and equipment were as follows:

	2019	2018
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	3,117,390	3,117,390
Building improvements - Lakeview Shelter	544,745	544,745
Equipment	1,487,130	1,458,294
Furniture and fixtures	233,651	233,651
Vehicles	960,413	919,252
Software	62,171	62,171
Leasehold improvements	428,048	428,048
Construction in progress	270,786	-
	<u>7,769,931</u>	<u>7,429,148</u>
Less accumulated amortization	(421,341)	(420,058)
Less accumulated depreciation	<u>(4,513,572)</u>	<u>(4,279,255)</u>
Total	<u>\$ 2,835,018</u>	<u>\$ 2,729,835</u>

Depreciation expense charged to operations for the fiscal years ended June 30, 2019 and 2018, totaled \$234,812 and \$224,043, respectively. Amortization expense charged to operations for the fiscal years ended June 30, 2019 and 2018, totaled \$1,283 and \$2,009, respectively.

NOTE 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. In fiscal year 2019, the Organization signed a lease to move their administrative offices, co-locate outreach and health ministry staff and its vehicles, and to move an emergency overnight shelter into the same facility. This lease will expire on May 31, 2029.

In addition, the Organization leases office and program equipment through rental agreements that expire at various dates through September 2022.

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 7 - Lease Commitments (cont.)

Future fiscal year minimum lease obligations under these agreements as of June 30, 2019, are as follows:

		Facilities, Storage Space, and Parking Space		Equipment		Total
2020	\$	560,482	\$	17,965	\$	578,447
2021		497,767		7,098		504,865
2022		508,667		3,528		512,195
2023		519,567		588		520,155
2024		530,467		-		530,467
2025-2029		2,766,785		-		2,766,785
	\$	5,383,735	\$	29,179	\$	5,412,914

Total charges to operations for rental expense during the fiscal years ended June 30, 2019 and 2018, amounted to \$299,361 and \$227,808, respectively.

In addition to the above leases, AMO leases facilities to TNM 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 \$398,340 and \$415,115 for the years ended June 30, 2019 and 2018, respectively.

NOTE 8 - Net Assets Designated by the Board of Directors

The Board 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 net assets without donor restrictions. The balance of the Board designated endowment fund was \$2,188,650 and \$1,329,957 at June 30, 2019 and 2018, respectively.

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 9 - Net Assets With Donor Restrictions

Net assets with donor restrictions were attributable to the following purposes as of June 30:

	2019	2018
Outreach health services	\$ 245,425	\$ 593,175
Interim shelters	117,149	129,351
Website	-	20,000
Space planning and program capital	-	337,608
Capital campaign	3,527,820	-
	<hr/>	<hr/>
Subtotal	3,890,394	1,080,134
Donor-restricted endowment investment income	265,866	154,055
Future periods	20,351	465,000
Held in perpetuity	1,361,240	1,361,240
	<hr/>	<hr/>
Total with donor restrictions	\$ 5,537,851	\$ 3,060,429

NOTE 10 - Endowments

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.

Interpretation of Relevant Law

The Organization's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted in the State of Illinois as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of the gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 10 - Endowments (cont.)

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, we considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Investment and Spending Policy

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's endowment, which includes both donor-restricted and Board designated endowment funds consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Assets invested for endowment purposes	\$ <u>3,815,731</u>	\$ <u>2,845,252</u>
Total underlying assets of the endowment	\$ <u>3,815,731</u>	\$ <u>2,845,252</u>

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 10 - Endowments (cont.)

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

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, June 30, 2017	\$ 877,530	\$ 1,328,563	\$ 2,206,093
Contributions and designations	356,811	80,000	436,811
Investment income:			
Gains	72,703	80,826	153,529
Interest and dividends	22,913	25,906	48,819
Balance, June 30, 2018	1,329,957	1,515,295	2,845,252
Contributions and designations	715,441	-	715,441
Investment income:			
Gains	106,445	80,153	186,598
Interest and dividends	36,807	31,633	68,440
Balance, June 30, 2019	\$ <u>2,188,650</u>	\$ <u>1,627,081</u>	\$ <u>3,815,731</u>

NOTE 11 – Liquidity and Availability

It is the Organizations practice to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Organization has financial assets available within one year of the statement of financial position date for general expenditures as follows:

Cash and cash equivalents	\$ 2,978,061
Contributions receivable	411,889
Government receivable	182,217
Miscellaneous receivables	3,052
Investments	<u>400,000</u>
Financial assets available to meet cash needs for general expenditures for one year	<u>\$ 3,975,219</u>

Although the Organization does not intend to spend from its Board designated endowment other than amounts appropriated for general expenditures as part of its annual budget approval and appropriations process, amounts from its board-designated endowment could be made available if necessary.

THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 12 - 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 1,000 hours of service as defined in the Plan document. Matching contributions by The Organization included in employee benefit expenses were \$95,045 and \$91,065 for the years ended June 30, 2019 and 2018, respectively.

NOTE 13 - 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, 2019 and 2018, amounts maintained in excess of FDIC insured limits or in non-FDIC insured money market fund accounts approximated \$2,236,000 and \$1,433,000, respectively.

NOTE 14 - 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.

NOTE 15 - 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.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions. The guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Organization for uncertain tax positions as of June 30, 2019 and 2018. The Organization's tax returns are subject to review and examination by federal and state authorities.

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THE NIGHT MINISTRY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended June 30, 2019 and 2018

NOTE 16 - Subsequent Events

The Organization has evaluated subsequent events occurring through December 3, 2019, the date that the financial statements were available to be issued for events requiring recording or disclosure in the Organization's consolidated financial statements.

On November 20, 2019, the Organization made a \$680,000 draw on a new construction loan for their new location. Also, the Organization entered into a short term lease for temporary office space.

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidating Statement of Financial Position
For the Year Ended June 30, 2019

ASSETS	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash and cash equivalents	\$ 2,472,875	\$ 505,186	\$ -	\$ 2,978,061
Contributions receivable	1,569,817	-	-	1,569,817
Government receivables	182,217	-	-	182,217
Miscellaneous receivables	3,052	43,636	(43,636)	3,052
Prepaid expenses	172,302	2,306	-	174,608
Security deposits	10,000	-	-	10,000
Investments	-	400,000	-	400,000
Property and equipment, net of accumulated depreciation and amortization	430,614	2,404,404	-	2,835,018
Assets invested for endowment purposes	3,815,731	-	-	3,815,731
TOTAL ASSETS	<u>\$ 8,656,608</u>	<u>\$ 3,355,532</u>	<u>\$ (43,636)</u>	<u>\$ 11,968,504</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	\$ 493,743	\$ 934	\$ (43,636)	\$ 451,041
Net Assets				
Without donor restrictions				
Undesignated for general activities	5,750	950,194	-	955,944
Designated by the Boards of Directors	2,188,650	-	-	2,188,650
Invested in building and equipment	430,614	2,404,404	-	2,835,018
Total net assets without donor restrictions	<u>2,625,014</u>	<u>3,354,598</u>	<u>-</u>	<u>5,979,612</u>
With donor restrictions				
Purpose	4,156,260	-	-	4,156,260
Future periods	20,351	-	-	20,351
In perpetuity	1,361,240	-	-	1,361,240
Total net assets with donor restrictions	<u>5,537,851</u>	<u>-</u>	<u>-</u>	<u>5,537,851</u>
Total net assets	<u>8,162,865</u>	<u>3,354,598</u>	<u>-</u>	<u>11,517,463</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,656,608</u>	<u>\$ 3,355,532</u>	<u>\$ (43,636)</u>	<u>\$ 11,968,504</u>

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidating Statement of Financial Position
For the Year Ended June 30, 2018

ASSETS	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash and cash equivalents	\$ 1,675,490	\$ 363,391	\$ -	\$ 2,038,881
Contributions receivable	653,750	-	-	653,750
Government receivables	200,961	-	-	200,961
Miscellaneous receivables	2,997	55,322	(55,322)	2,997
Prepaid expenses	142,803	104	-	142,907
Security deposits	10,000	-	-	10,000
Investments	-	400,000	-	400,000
Property and equipment, net of accumulated depreciation and amortization	202,682	2,527,153	-	2,729,835
Assets invested for endowment purposes	2,845,252	-	-	2,845,252
TOTAL ASSETS	\$ 5,733,935	\$ 3,345,970	\$ (55,322)	\$ 9,024,583
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	\$ 538,493	\$ 3,562	\$ (55,322)	\$ 486,733
Net Assets				
Without donor restrictions				
Undesignated for general activities	602,374	815,255	-	1,417,629
Designated by the Boards of Directors	1,329,957	-	-	1,329,957
Invested in building and equipment	202,682	2,527,153	-	2,729,835
Total net assets without donor restrictions	2,135,013	3,342,408	-	5,477,421
With donor restrictions				
Purpose	1,234,189	-	-	1,234,189
Future periods	465,000	-	-	465,000
In perpetuity	1,361,240	-	-	1,361,240
Total net assets with donor restrictions	3,060,429	-	-	3,060,429
Total net assets	5,195,442	3,342,408	-	8,537,850
TOTAL LIABILITIES AND NET ASSETS	\$ 5,733,935	\$ 3,345,970	\$ (55,322)	\$ 9,024,583

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidating Statement of Activities
For the Year Ended June 30, 2019

	The Night Ministry			TNM Asset Management Organization, NFP (Without Donor Restrictions)	Eliminations	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total			
Revenues						
Public support:						
Grants, contributions and bequests	\$ 4,004,929	\$ 5,275,039	\$ 9,279,968	\$ -	\$ -	\$ 9,279,968
Grants from government agencies	1,762,313	-	1,762,313	-	-	1,762,313
In-kind revenue	319,524	-	319,524	-	-	319,524
Special events (net of direct costs of \$147,380)	342,122	-	342,122	-	-	342,122
Other Income:				-		
Investment income	170,954	111,811	282,765	10,613	-	293,378
Rental income	-	-	-	398,340	(398,340)	-
Fee income	130	-	130	1	-	131
Net assets released from restrictions:						
Satisfaction of time restrictions	450,000	(450,000)	-	-	-	-
Satisfaction of purpose restrictions	2,459,428	(2,459,428)	-	-	-	-
Total revenues	<u>9,509,400</u>	<u>2,477,422</u>	<u>11,986,822</u>	<u>408,954</u>	<u>(398,340)</u>	<u>11,997,436</u>
Expenses						
Program services						
Outreach and health ministry	1,614,427	-	1,614,427	-	-	1,614,427
Shelter programs	5,616,722	-	5,616,722	391,812	(398,340)	5,610,194
Total program services expense	7,231,149	-	7,231,149	391,812	(398,340)	7,224,621
Management and general	853,922	-	853,922	4,952	-	858,874
Fund-raising	934,328	-	934,328	-	-	934,328
Total expense	<u>9,019,399</u>	<u>-</u>	<u>9,019,399</u>	<u>396,764</u>	<u>(398,340)</u>	<u>9,017,823</u>
Change in Net Assets	490,001	2,477,422	2,967,423	12,190	-	2,979,613
Net Assets, Beginning of Year	<u>2,135,013</u>	<u>3,060,429</u>	<u>5,195,442</u>	<u>3,342,408</u>	<u>-</u>	<u>8,537,850</u>
Net Assets, End of Year	<u>\$ 2,625,014</u>	<u>\$ 5,537,851</u>	<u>\$ 8,162,865</u>	<u>\$ 3,354,598</u>	<u>\$ -</u>	<u>\$ 11,517,463</u>

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidating Statement of Activities
For the Year Ended June 30, 2018

	The Night Ministry			TNM Asset Management Organization, NFP (Without Donor Restrictions)	Eliminations	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total			
Revenues						
Public support:						
Grants, contributions and bequests	\$ 3,650,927	\$ 2,106,504	\$ 5,757,431	\$ 7,500	\$ -	\$ 5,764,931
Board designated grants and contributions	600,000	-	600,000	-	-	600,000
Grants from government agencies	1,610,008	-	1,610,008	-	-	1,610,008
Special events (net of direct costs of \$165,945)	397,676	-	397,676	-	-	397,676
Other Income:						
Investment income	98,543	106,732	205,275	399	-	205,674
Rental income	-	-	-	415,115	(415,115)	-
Fee income	684	-	684	-	-	684
Net assets released from restrictions:						
Satisfaction of time restrictions	255,000	(255,000)	-	-	-	-
Satisfaction of purpose restrictions	1,837,392	(1,837,392)	-	-	-	-
Total revenues	<u>8,450,230</u>	<u>120,844</u>	<u>8,571,074</u>	<u>423,014</u>	<u>(415,115)</u>	<u>8,578,973</u>
Expenses						
Program services						
Outreach and health ministry	1,399,143	-	1,399,143	-	-	1,399,143
Shelter programs	5,070,557	-	5,070,557	380,570	(415,115)	5,036,012
Total program services expense	6,469,700	-	6,469,700	380,570	(415,115)	6,435,155
Management and general	666,527	-	666,527	3,865	-	670,392
Fund-raising	796,737	-	796,737	-	-	796,737
Total expense	<u>7,932,964</u>	<u>-</u>	<u>7,932,964</u>	<u>384,435</u>	<u>(415,115)</u>	<u>7,902,284</u>
Change in Net Assets	517,266	120,844	638,110	38,579	-	676,689
Net Assets, Beginning of Year	1,617,747	2,939,585	4,557,332	3,303,829	-	7,861,161
Net Assets, End of Year	<u>\$ 2,135,013</u>	<u>\$ 3,060,429</u>	<u>\$ 5,195,442</u>	<u>\$ 3,342,408</u>	<u>\$ -</u>	<u>\$ 8,537,850</u>

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidating Statement of Functional Expenses
For the Year Ended June 30, 2019

	The Night Ministry						TNM Asset Management Organization, NFP			Eliminations - Shelter Programs	Consolidated Total
	Outreach and Health Ministry	Shelter Programs	Total Program Services	Management and General	Fundraising	Total	Shelter Programs	Management and General	Total		
Salaries	\$ 929,744	\$ 3,328,664	\$ 4,258,408	\$ 296,434	\$ 492,296	\$ 5,047,138	\$ -	\$ -	\$ -	\$ 114,593	\$ 5,161,731
Employee benefits and payroll taxes	226,989	827,524	1,054,493	109,297	140,117	1,303,907	-	-	-	-	1,303,907
Total salaries and related expense	1,156,713	4,156,188	5,312,901	405,731	632,413	6,351,045	-	-	-	114,593	6,465,638
Bank charges	-	-	-	32,931	-	32,931	-	61	61	-	32,992
Consulting fees	-	10,017	10,017	17,899	217,719	245,635	-	-	-	-	245,635
Depreciation and amortization	76,724	10,955	87,679	8,390	5,065	101,134	134,961	-	134,961	-	236,095
Dues, books and subscriptions	15,132	26,343	41,475	29,229	11,278	81,982	-	32	32	-	82,014
Equipment leasing	6,229	8,461	14,690	2,126	-	16,816	-	-	-	-	16,816
Grants to other organizations	-	14,543	14,543	-	-	14,543	-	-	-	-	14,543
In-kind expense	56,781	262,743	319,524	-	-	319,524	-	-	-	-	319,524
Insurance	32,349	38,283	70,632	20,925	3,432	94,989	20,096	2,500	22,596	-	117,585
Kitchen supplies	9,737	136,395	146,132	10,349	23	156,504	547	-	547	-	157,051
Miscellaneous expense	8	45	53	1,784	2,307	4,144	-	-	-	-	4,144
Occupancy	61,193	476,071	537,264	134,625	36,032	707,921	43,492	-	43,492	(398,340)	353,073
Office supplies	969	10,669	11,638	12,011	820	24,469	1,074	-	1,074	-	25,543
Postage and shipping	144	107	251	1,744	18,957	20,952	-	-	-	-	20,952
Printing	296	1,118	1,414	693	47,379	49,486	-	-	-	-	49,486
Professional fees	7,257	17,788	25,045	54,405	744	80,194	97,755	1,845	99,600	(97,755)	82,039
Program and medical supplies expense	44,225	22,081	66,306	2,223	822	69,351	-	-	-	-	69,351
Public relations	842	2,281	3,123	767	37,757	41,647	-	-	-	-	41,647
Repairs and maintenance	43,895	70,421	114,316	140,466	11,280	266,062	93,887	-	93,887	(16,838)	343,111
Specific assistance	8,784	46,224	55,008	-	10	55,018	-	-	-	-	55,018
Staff/volunteer street expenses	7,968	24,413	32,381	57,739	3,280	93,400	-	496	496	-	93,896
Telephone	6,552	56,142	62,694	22,866	650	86,210	-	-	-	-	86,210
Travel	7,604	16,912	24,516	31,745	2,045	58,306	-	18	18	-	58,324
Vehicle expenses	40,458	6,423	46,881	191	64	47,136	-	-	-	-	47,136
Total functional expenses before allocation of management and general and fund-raising expenses	1,583,860	5,414,623	6,998,483	988,839	1,032,077	9,019,399	391,812	4,952	396,764	(398,340)	9,017,823
Allocation of management and general and fund-raising expenses	30,567	202,099	232,666	(134,917)	(97,749)	-	-	-	-	-	-
Total functional expenses	\$ 1,614,427	\$ 5,616,722	\$ 7,231,149	\$ 853,922	\$ 934,328	\$ 9,019,399	\$ 391,812	\$ 4,952	\$ 396,764	\$ (398,340)	\$ 9,017,823

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidating Statement of Functional Expenses
For the Year Ended June 30, 2018

	The Night Ministry						TNM Asset Management Organization, NFP			Eliminations - Shelter Programs	Consolidated Total
	Outreach and Health Ministry	Shelter Programs	Total Program Services	Management and General	Fundraising	Total	Shelter Programs	Management and General	Total		
Salaries	\$ 810,553	\$ 2,972,731	\$ 3,783,284	\$ 205,191	\$ 443,489	\$ 4,431,964	\$ -	\$ -	\$ -	\$ 114,199	\$ 4,546,163
Employee benefits and payroll taxes	167,281	848,889	1,016,170	81,296	119,584	1,217,050	-	-	-	-	1,217,050
Total salaries and related expense	977,834	3,821,620	4,799,454	286,487	563,073	5,649,014	-	-	-	114,199	5,763,213
Bank charges	-	-	-	30,464	-	30,464	-	65	65	-	30,529
Consulting fees	14,250	6,760	21,010	31,298	150,371	202,679	-	-	-	-	202,679
Depreciation and amortization	72,669	10,998	83,667	6,537	3,884	94,088	131,964	-	131,964	-	226,052
Dues, books and subscriptions	15,834	31,533	47,367	41,047	5,535	93,949	105	54	159	-	94,108
Equipment leasing	1,594	18,062	19,656	3,358	-	23,014	-	3,358	-	-	23,014
Grants to other organizations	-	36,063	36,063	-	-	36,063	-	-	-	-	36,063
Insurance	31,897	38,892	70,789	19,638	4,784	95,211	17,127	1,251	18,378	-	113,589
Kitchen supplies	12,500	138,371	150,871	8,776	-	159,647	1,616	-	1,616	-	161,263
Miscellaneous expense	114	191	305	609	2,096	3,010	-	-	-	-	3,010
Occupancy	48,925	486,174	535,099	65,158	33,648	633,905	42,738	-	42,738	(415,115)	261,528
Office supplies	2,072	32,976	35,048	16,920	1,018	52,986	300	-	300	-	53,286
Postage and shipping	232	223	455	2,994	19,090	22,539	-	7	7	-	22,546
Printing	385	1,174	1,559	3,236	30,006	34,801	-	-	-	-	34,801
Professional fees	2,775	3,052	5,827	69,447	10,800	86,074	90,158	2,300	92,458	(90,158)	88,374
Program and medical supplies expense	44,622	25,166	69,788	3,503	2,185	75,476	-	-	-	-	75,476
Public relations	360	1,477	1,837	667	22,288	24,792	-	-	-	-	24,792
Repairs and maintenance	36,542	78,533	115,075	84,302	23,535	222,912	96,562	53	96,615	(24,041)	295,486
Specific assistance	5,190	47,725	52,915	-	-	52,915	-	-	-	-	52,915
Staff/volunteer street expenses	22,913	25,928	48,841	54,144	11,833	114,818	-	135	135	-	114,953
Telephone	8,220	61,969	70,189	28,962	720	99,871	-	-	-	-	99,871
Travel	6,444	13,355	19,799	35,709	1,853	57,361	-	-	-	-	57,361
Vehicle expenses	58,652	8,426	67,078	124	173	67,375	-	-	-	-	67,375
Total functional expenses before allocation of management and general and fund-raising expenses	1,364,024	4,888,668	6,252,692	793,380	886,892	7,932,964	380,570	3,865	384,435	(415,115)	7,902,284
Allocation of management and general and fund-raising expenses	35,119	181,889	217,008	(126,853)	(90,155)	-	-	-	-	-	-
Total functional expenses	\$ 1,399,143	\$ 5,070,557	\$ 6,469,700	\$ 666,527	\$ 796,737	\$ 7,932,964	\$ 380,570	\$ 3,865	\$ 384,435	\$ (415,115)	\$ 7,902,284

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidating Statement of Cash Flows
For the Year Ended June 30, 2019

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash flows from operating activities:				
Change in new assets	\$ 2,967,423	\$ 12,190	\$ -	\$ 2,979,613
Adjustments to reconcile change in net assets to net cash flows from operating activities:				
Depreciation and amortization	101,134	134,961	-	236,095
Gain on investments	(186,531)	-	-	(186,531)
Contributions restricted to the capital campaign	(1,367,475)	-	-	(1,367,475)
Changes in:				
Receivables	235,550	11,686	(11,686)	235,550
Prepaid expenses	(29,499)	(2,202)	-	(31,701)
Accounts payable and accrued expenses	(44,750)	(2,628)	11,686	(35,692)
Net cash flows from operating activities	<u>1,675,852</u>	<u>154,007</u>	<u>-</u>	<u>1,829,859</u>
Cash flows from investing activities:				
Purchase of investments	(783,948)	-	-	(783,948)
Purchases of property, plant, and equipment	(329,066)	(12,212)	-	(341,278)
Net cash flows from investing activities	<u>(1,113,014)</u>	<u>(12,212)</u>	<u>-</u>	<u>(1,125,226)</u>
Cash flows from financing activities:				
Contributions received restricted to the capital campaign	234,547	-	-	234,547
Net change in cash and cash equivalents	797,385	141,795	-	939,180
Cash and cash equivalents, beginning of the year	1,675,490	363,391	-	2,038,881
Cash and cash equivalents, end of the year	<u>\$ 2,472,875</u>	<u>\$ 505,186</u>	<u>\$ -</u>	<u>\$ 2,978,061</u>

THE NIGHT MINISTRY AND SUBSIDIARY

Consolidating Statement of Cash Flows
For the Year Ended June 30, 2018

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash flows from operating activities:				
Change in new assets	\$ 638,110	\$ 38,579	\$ -	\$ 676,689
Adjustments to reconcile change in net assets to net cash flows from operating activities:				
Depreciation and amortization	94,088	131,964	-	226,052
Gain on investments	(153,529)	-	-	(153,529)
Contributions restricted to the endowment	(80,000)	-	-	(80,000)
Changes in:				
Receivables	280,543	(33,631)	33,631	280,543
Prepaid expenses	(22,546)	86	-	(22,460)
Accounts payable and accrued expenses	56,262	(4,509)	(33,631)	18,122
Net cash flows from operating activities	812,928	132,489	-	945,417
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	2,366,090	200,000	-	2,566,090
Purchase of investments	(3,351,720)	(400,000)	-	(3,751,720)
Purchases of property, plant, and equipment	(41,777)	(20,465)	-	(62,242)
Net cash flows from investing activities	(1,027,407)	(220,465)	-	(1,247,872)
Cash flows from financing activities:				
Contributions received restricted to the endowment	580,000	-	-	580,000
Net change in cash and cash equivalents	365,521	(87,976)	-	277,545
Cash and cash equivalents, beginning of the year	1,309,969	451,367	-	1,761,336
Cash and cash equivalents, end of the year	\$ 1,675,490	\$ 363,391	\$ -	\$ 2,038,881

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