

The Night Ministry and Subsidiary

Consolidated Financial Statements and
Supplementary Information

June 30, 2020 and 2019

The Night Ministry and Subsidiary

Table of Contents
June 30, 2020 and 2019

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9
Supplementary Information	
Consolidating Statements of Financial Position	21
Consolidating Statements of Activities	23
Consolidating Statements of Functional Expenses	25
Consolidating Statements of Cash Flows	27

Independent Auditors' Report

To the Board of Directors of
The Night Ministry and Subsidiary

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Night Ministry and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, 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 Consolidated 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 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 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, 2020 and 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information included in the supplementary information as listed in the table of contents 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 US, LLP

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Chicago, Illinois
December 1, 2020

The Night Ministry and Subsidiary

Consolidated Statements of Financial Position

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 4,521,515	\$ 2,978,061
Contributions receivable	1,114,751	1,569,817
Government receivables	253,408	182,217
Miscellaneous receivables	65,077	3,052
Prepaid expenses	504,578	174,608
Security deposits	11,575	10,000
Investments	-	400,000
Property and equipment, net of accumulated depreciation and amortization	7,085,197	2,835,018
Assets invested for endowment purposes	4,225,956	3,815,731
	<u>17,782,057</u>	<u>11,968,504</u>
Total assets	<u>\$ 17,782,057</u>	<u>\$ 11,968,504</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 754,615	\$ 451,041
Line of credit	3,000,000	-
Paycheck Protection Program loan	1,328,872	-
	<u>5,083,487</u>	<u>451,041</u>
Total liabilities	<u>5,083,487</u>	<u>451,041</u>
Net Assets		
Without donor restrictions		
Undesignated for general activities	(2,235,419)	955,944
Designated by the Board of Directors	2,389,143	2,188,650
Invested in building and equipment	7,085,197	2,835,018
	<u>7,238,921</u>	<u>5,979,612</u>
Total net assets without donor restrictions	<u>7,238,921</u>	<u>5,979,612</u>
With donor restrictions		
Purpose	3,568,409	4,156,260
Future periods	230,000	20,351
In perpetuity	1,661,240	1,361,240
	<u>5,459,649</u>	<u>5,537,851</u>
Total net assets with donor restrictions	<u>5,459,649</u>	<u>5,537,851</u>
Total net assets	<u>12,698,570</u>	<u>11,517,463</u>
Total liabilities and net assets	<u>\$ 17,782,057</u>	<u>\$ 11,968,504</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Activities

Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Public support:			
Grants, contributions and bequests	\$ 5,371,843	\$ 3,382,780	\$ 8,754,623
Grants from government agencies	1,872,001	-	1,872,001
In-kind revenue	333,110	-	333,110
Special events (net of direct costs of \$63,702)	96,933	-	96,933
Other Income:			
Investment income	173,540	109,732	283,272
Loss on disposal	(34,206)	-	(34,206)
Miscellaneous income	11,878	-	11,878
Net assets released from restrictions:			
Satisfaction of time restrictions	225,351	(225,351)	-
Satisfaction of purpose restrictions	3,345,363	(3,345,363)	-
Total revenues	<u>11,395,813</u>	<u>(78,202)</u>	<u>11,317,611</u>
Expenses			
Program services:			
Outreach and health ministry	1,826,465	-	1,826,465
Shelter programs	5,582,596	-	5,582,596
Total program services expense	<u>7,409,061</u>	<u>-</u>	<u>7,409,061</u>
Management and general	1,265,415	-	1,265,415
Fund-raising	1,462,028	-	1,462,028
Total expense	<u>10,136,504</u>	<u>-</u>	<u>10,136,504</u>
Change in net assets	<u>1,259,309</u>	<u>(78,202)</u>	<u>1,181,107</u>
Net Assets, Beginning	<u>5,979,612</u>	<u>5,537,851</u>	<u>11,517,463</u>
Net Assets, Ending	<u>\$ 7,238,921</u>	<u>\$ 5,459,649</u>	<u>\$ 12,698,570</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Activities

Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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	<u>9,520,014</u>	<u>2,477,422</u>	<u>11,997,436</u>
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	<u>9,017,823</u>	<u>-</u>	<u>9,017,823</u>
Change in net assets	<u>502,191</u>	<u>2,477,422</u>	<u>2,979,613</u>
Net Assets, Beginning	<u>5,477,421</u>	<u>3,060,429</u>	<u>8,537,850</u>
Net Assets, Ending	<u>\$ 5,979,612</u>	<u>\$ 5,537,851</u>	<u>\$ 11,517,463</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended June 30, 2020

	<u>Outreach and Health Ministry</u>	<u>Shelter Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>
Salaries	\$ 1,158,200	\$ 3,517,161	\$ 4,675,361	\$ 426,379	\$ 600,922	\$ 5,702,662
Employee benefits and payroll taxes	204,616	719,009	923,625	139,296	116,662	1,179,583
Total salaries and related expense	1,362,816	4,236,170	5,598,986	565,675	717,584	6,882,245
Bank charges	-	-	-	51,756	-	51,756
Consulting fees	1,200	13,646	14,846	36,308	205,088	256,242
Depreciation and amortization	83,298	155,161	238,459	24,882	4,759	268,100
Dues, books and subscriptions	10,778	15,719	26,497	12,842	19,483	58,822
Equipment leasing	188	6,261	6,449	2,644	-	9,093
In-kind expense	48,906	284,204	333,110	-	-	333,110
Insurance	34,551	54,832	89,383	24,751	3,133	117,267
Kitchen supplies	7,776	144,278	152,054	16,648	36	168,738
Miscellaneous expense	417	187	604	19,163	4,633	24,400
Occupancy	46,966	228,382	275,348	198,596	409,431	883,375
Office supplies	1,754	17,206	18,960	9,125	19,280	47,365
Postage and shipping	444	330	774	1,421	18,435	20,630
Printing	413	782	1,195	1,535	50,629	53,359
Professional fees	4,732	(50,264)	(45,532)	174,198	2,054	130,720
Program and medical supplies expense	46,327	20,079	66,406	2,491	773	69,670
Public relations	71	640	711	7,898	17,159	25,768
Repairs and maintenance	60,904	205,332	266,236	86,108	31,989	384,333
Specific assistance	4,724	37,330	42,054	-	-	42,054
Staff/volunteer street expenses	14,433	19,015	33,448	8,676	2,966	45,090
Telephone	5,170	65,346	70,516	31,968	1,360	103,844
Interest expense	-	-	-	35,974	-	35,974
Travel	8,449	16,427	24,876	23,765	2,327	50,968
Vehicle expenses	63,646	8,475	72,121	1,354	106	73,581
Total functional expenses before allocation of management and general and fund-raising expenses	1,807,963	5,479,538	7,287,501	1,337,778	1,511,225	10,136,504
Allocation of management and general and fund-raising expenses	18,502	103,058	121,560	(72,363)	(49,197)	-
Total functional expenses	<u>\$ 1,826,465</u>	<u>\$ 5,582,596</u>	<u>\$ 7,409,061</u>	<u>\$ 1,265,415</u>	<u>\$ 1,462,028</u>	<u>\$ 10,136,504</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended June 30, 2019

	<u>Outreach and Health Ministry</u>	<u>Shelter Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>
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	 <u>\$ 1,614,427</u>	 <u>\$ 5,610,194</u>	 <u>\$ 7,224,621</u>	 <u>\$ 858,874</u>	 <u>\$ 934,328</u>	 <u>\$ 9,017,823</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in new assets	\$ 1,181,107	\$ 2,979,613
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation and amortization	268,100	236,095
Gain on investments	(236,311)	(186,531)
Loss on disposal	34,206	-
Contributions restricted to the endowment and capital campaign	(619,500)	(1,367,475)
Changes in:		
Receivables	384,350	235,550
Security deposits	(1,575)	-
Prepaid expenses	(329,970)	(31,701)
Accounts payable and accrued expenses	303,574	(35,692)
Net cash flows from operating activities	<u>983,981</u>	<u>1,829,859</u>
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	400,000	-
Purchase of investments	(173,914)	(783,948)
Purchases of property and equipment	(4,552,485)	(341,278)
Net cash flows from investing activities	<u>(4,326,399)</u>	<u>(1,125,226)</u>
Cash Flows From Financing Activities		
Proceed from line of credit	3,000,000	-
Proceeds from Paycheck Protection Program loan	1,328,872	-
Contributions received restricted to the capital campaign	557,000	234,547
Net cash flows from financing activities	<u>4,885,872</u>	<u>234,547</u>
Net change in cash and cash equivalents	1,543,454	939,180
Cash and Cash Equivalents, Beginning	<u>2,978,061</u>	<u>2,038,881</u>
Cash and Cash Equivalents, Ending	<u>\$ 4,521,515</u>	<u>\$ 2,978,061</u>
Supplemental Cash Flow Disclosure		
Cash paid for interest	<u>\$ 35,974</u>	<u>\$ -</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

1. Description of Organization

The Night Ministry (TNM) is a not-for-profit, nondenominational 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.

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 not-for-profit 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.

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 \$48,906 and \$56,781 are reflected in the accompanying consolidated financial statements as in-kind revenue and expense for 2020 and 2019, respectively.

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2020 and 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 2020 and 2019, management estimates the Organization received approximately 24,000 and 26,000 hours of volunteer services valued at approximately \$760,000 and \$785,000, respectively.

Donated Materials

The Organization received \$284,204 and \$262,743 of donated goods and materials during fiscal years 2020 and 2019, respectively, which are reflected in the accompanying financial statements as in-kind revenue and expense.

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.

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.

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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 – that is, those with a measurable performance barrier and a right of return or release - are not recognized until the condition on which they depend are 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.

In 2020, the Organization adopted ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, using the modified prospective transition method. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Adopting ASU No. 2018-08 did not have a significant impact on the financial statements. However, the Organization has several grants in which it was deemed non-exchange conditional and the conditions at June 30, 2020 were not met. The remaining amount to be recognized next year is \$521,273.

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.

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, 2020, the Organization received support from three nongovernmental donors totaling \$2,750,488. In the year ended June 30, 2019, the Organization received support from four nongovernmental donors totaling \$2,400,000. 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.

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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 nonlease 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 nonlease components. The Organization will be required to apply the standard for annual periods beginning after December 15, 2021 (fiscal 2023). Early adoption is permitted. Management is currently assessing the effect that ASU No. 2016-02 will have on its financial statements.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU No. 2020-07). ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021. (fiscal 2022) Early adoption is permitted. Management is currently assessing the effect that ASU No. 2020-07 will have on its financial statements.

3. Government Receivables

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

	<u>2020</u>	<u>2019</u>
Agencies of the State of Illinois	\$ 41,761	\$ 33,744
Agencies of the City of Chicago	64,132	82,716
U.S. Department of Health and Human Services	127,546	47,976
U.S. Department of Housing and Urban Development	19,969	17,781
Total	<u>\$ 253,408</u>	<u>\$ 182,217</u>

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 \$1,114,751 and \$1,569,817 at June 30, 2020 and 2019, respectively. Of the amount receivable at June 30, 2020, \$864,751 was expected to be received within one year and \$250,000 was expected to be received between one and five years.

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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, 2020 and 2019.

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.

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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>2020</u>	<u>2019</u>
Investments	\$ -	\$ 400,000
Assets invested for endowment purposes	<u>4,225,956</u>	<u>3,815,731</u>
Total	<u>\$ 4,225,956</u>	<u>\$ 4,215,731</u>

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:

	<u>2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 13,250	\$ -	\$ -	\$ 13,250
Mutual funds	2,934,003	-	-	2,934,003
Exchange traded funds	<u>1,278,703</u>	<u>-</u>	<u>-</u>	<u>1,278,703</u>
Total	<u>\$ 4,225,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,225,956</u>
	<u>2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificate of deposit	\$ -	\$ 400,000	\$ -	\$ 400,000
Money market funds	111	-	-	111
Mutual funds	2,377,018	-	-	2,377,018
Exchange traded funds	<u>1,438,602</u>	<u>-</u>	<u>-</u>	<u>1,438,602</u>
Total	<u>\$ 3,815,731</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 4,215,731</u>

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

6. Property and Equipment

At June 30, 2020 and 2019, the cost and accumulated depreciation and amortization for property and equipment were as follows:

	<u>2020</u>	<u>2019</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	3,117,390	3,117,390
Building improvements, Lakeview Shelter	544,745	544,745
Equipment	1,608,569	1,487,130
Furniture and fixtures	113,413	233,651
Vehicles	960,413	960,413
Software	62,171	62,171
Leasehold improvements	2,866,659	428,048
Construction in progress	1,763,284	270,786
	11,702,241	7,769,931
Less accumulated amortization	(23,035)	(421,341)
Less accumulated depreciation	(4,594,009)	(4,513,572)
Total	<u>\$ 7,085,197</u>	<u>\$ 2,835,018</u>

Depreciation expense charged to operations for the fiscal years ended June 30, 2020 and 2019, totaled \$242,382 and \$234,812, respectively. Amortization expense charged to operations for the fiscal years ended June 30, 2020 and 2019, totaled \$25,718 and \$1,283, respectively.

Construction in progress consists of construction costs for leasehold improvements at the Organization's new administrative office. The total cost of the project remaining to be completed is estimated at approximately \$140,000 and is expected to be funded with donations.

7. Lease Commitments

The Organization leases office space at 1735 N. Ashland for their administrative offices, co-locate outreach and health ministry staff, its vehicles, and for an emergency overnight shelter, all in 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

June 30, 2020 and 2019

Future fiscal year minimum lease obligations under these agreements as of June 30, 2020, are as follows:

	<u>Facilities,</u>	<u>Equipment</u>	<u>Total</u>
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	541,367	-	541,367
2026-2029	2,225,418	-	2,225,418
Total	<u>\$ 4,823,253</u>	<u>\$ 11,214</u>	<u>\$ 4,834,467</u>

Total charges to operations for rental expense during the fiscal years ended June 30, 2020 and 2019, amounted to \$830,682 and \$299,361, 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 \$432,239 and \$398,340 for the years ended June 30, 2020 and 2019, respectively.

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 \$2,389,143 and \$2,188,650 at June 30, 2020 and 2019, respectively.

9. Net Assets With Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
Outreach health services	\$ 192,925	\$ 245,425
Youth programs and shelters	185,791	117,149
Capital campaign	2,814,095	3,527,820
Donor-restricted endowment investment income	375,598	265,866
Subtotal	3,568,409	4,156,260
Future periods	230,000	20,351
Held in perpetuity	1,661,240	1,361,240
Total with donor restrictions	<u>\$ 5,459,649</u>	<u>\$ 5,537,851</u>

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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.

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 three-year combined average of the donor-restricted and Board designated endowment balance meets or exceeds \$5,000,000. Once the endowments reach an average of \$5,000,000 for a three-year period, the annual spending objective is 5.0 percent of the three-year moving average of the fair market value of the endowments' underlying assets.

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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>2020</u>	<u>2019</u>
Assets invested for endowment purposes	\$ 4,225,956	\$ 3,815,731
Total underlying assets of the endowment	<u>\$ 4,225,956</u>	<u>\$ 3,815,731</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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	<u>36,807</u>	<u>31,633</u>	<u>68,440</u>
Balance, June 30, 2019	2,188,650	1,627,081	3,815,731
Contributions and designations	44,549	100,000	144,549
Investment income:			
Gains	109,395	75,385	184,780
Interest and dividends	<u>46,549</u>	<u>34,347</u>	<u>80,896</u>
Balance, June 30, 2020	<u>\$ 2,389,143</u>	<u>\$ 1,836,813</u>	<u>\$ 4,225,956</u>

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:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 4,521,515	\$ 2,978,061
Contributions receivables for operations	432,101	411,889
Government receivable	253,408	182,217
Miscellaneous receivables	65,077	3,052
Investments	<u>-</u>	<u>400,000</u>
Total financial assets available for general expenditures	<u>\$ 5,272,101</u>	<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

June 30, 2020 and 2019

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 after completing one year of service 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 \$103,942 and \$95,045 for the years ended June 30, 2020 and 2019, respectively.

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, 2020 and 2019, amounts maintained in excess of FDIC insured limits or in non-FDIC insured money market fund accounts approximated \$3,779,000 and \$2,236,000, respectively.

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.

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. In the first several months of 2020, the virus, SARS-CoV-2, and related disease COVID-19, spread to North America, which is the geographic location in which the Organization operates. The extent of the impact COVID-19 has on the Organization's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related government or other regulatory action.

15. Paycheck Protection Program Loan

The Organization participated in and received funds under the Paycheck Protection Program (PPP) through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 in the amount of \$1,328,872. The PPP is designed to provide a direct financial incentive for small business to keep their workers on the payroll. The program will forgive loan balances to the extent employees are kept on the payroll and the loan principal is used for payroll, rent, mortgage interest, or utilities during the eight or twenty-four week period following receipt. Any portion of the loan that is not forgiven will carry interest at 1 percent and is due to be paid back within two years and the Organization may request the balance to be paid within five years. The first payment can be deferred until ten months after the end of the eight or twenty-four week covered period.

The Organization has elected to treat the PPP loan as debt and will recognize any forgiveness of the loan as revenue when the debt is forgiven. At the time the Organization submitted its application to receive the funds, it was expecting to meet all of the conditions and have the amount be fully forgiven. If any amounts are not forgiven, the remaining amounts convert into a note and the note is due April 30, 2022 with an annual interest rate of 1 percent and monthly principal and interest payments. The Organization is prepared to apply for loan forgiveness when the final information becomes available from the federal government and lending agency. At June 30, 2020, the PPP loan in the amount of \$1,328,872 is recorded as a liability on the statements of financial position.

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

16. Line of Credit

The Organization has arranged for a \$3,000,000 short-term line of credit with a bank as of June 30, 2020. The line of credit is effective until July 30, 2020. The line of credit is priced at the bank's prime rate, which was 3.32 percent at June 30, 2020, and is secured by all assets of the Organization. At June 30, 2020, there was a \$3,000,000 outstanding balance. Interest expense incurred during fiscal year 2020 was \$35,974.

17. 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 (IRC), 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. IRC. 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. IRC. 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, 2020 and 2019. The Organization's tax returns are subject to review and examination by federal and state authorities.

18. Subsequent Events

The Organization has evaluated subsequent events occurring through December 1, 2020, the date that the financial statements were available to be issued for events requiring recording or disclosure in the Organization's consolidated financial statements.

Effective July 30, 2020, the Organization converted its \$3,000,000 line of credit outstanding balance into a 60 month term note. The interest rate on this note is a fixed rate of 3.75%. Final payment is scheduled for July 30, 2025.

The Night Ministry and Subsidiary

Consolidating Statement of Financial Position
Year Ended June 30, 2020

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Assets				
Cash and cash equivalents	\$ 3,403,073	\$ 1,118,442	\$ -	\$ 4,521,515
Contributions receivable	1,514,751	-	(400,000)	1,114,751
Government receivables	253,408	-	-	253,408
Miscellaneous receivables	65,077	47,040	(47,040)	65,077
Prepaid expenses	500,647	3,931	-	504,578
Security deposits	11,575	-	-	11,575
Property and equipment, net of accumulated depreciation and amortization	4,797,228	2,287,969	-	7,085,197
Assets invested for endowment purposes	4,225,956	-	-	4,225,956
Total assets	\$ 14,771,715	\$ 3,457,382	\$ (447,040)	\$ 17,782,057
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 729,887	\$ 471,768	\$ (447,040)	\$ 754,615
Line of credit	3,000,000	-	-	3,000,000
Paycheck Protection Program loan	1,328,872	-	-	1,328,872
Total liabilities	5,058,759	471,768	(447,040)	5,083,487
Net Assets				
Without donor restrictions:				
Undesignated for general activities	(2,933,064)	697,645	-	(2,235,419)
Designated by the Boards of Directors	2,389,143	-	-	2,389,143
Invested in building and equipment	4,797,228	2,287,969	-	7,085,197
Total net assets without donor restrictions	4,253,307	2,985,614	-	7,238,921
With donor restrictions:				
Purpose	3,568,409	-	-	3,568,409
Future periods	230,000	-	-	230,000
In perpetuity	1,661,240	-	-	1,661,240
Total net assets with donor restrictions	5,459,649	-	-	5,459,649
Total net assets	9,712,956	2,985,614	-	12,698,570
Total liabilities and net assets	\$ 14,771,715	\$ 3,457,382	\$ (447,040)	\$ 17,782,057

The Night Ministry and SubsidiaryConsolidating Statement of Financial Position
Year Ended June 30, 2019

	<u>The Night Ministry</u>	<u>TNM Asset Management Organization, NFP</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Assets				
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 Activities

Year Ended June 30, 2020

	The Night Ministry			TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions		
Revenues						
Public support:						
Grants, contributions and bequests	\$ 5,771,843	\$ 3,382,780	\$ 9,154,623	\$ -	\$ (400,000)	\$ 8,754,623
Grants from government agencies	1,872,001	-	1,872,001	-	-	1,872,001
In-kind revenue	333,110	-	333,110	-	-	333,110
Special events (net of direct costs of \$63,702)	96,933	-	96,933	-	-	96,933
Other Income:						
Investment income	167,214	109,732	276,946	6,326	-	283,272
Rental income	-	-	-	432,239	(432,239)	-
Loss on disposal	(34,206)	-	(34,206)	-	-	(34,206)
Miscellaneous income	(5,749)	-	(5,749)	17,627	-	11,878
Net assets released from restrictions:						
Satisfaction of time restrictions	225,351	(225,351)	-	-	-	-
Satisfaction of purpose restrictions	3,345,363	(3,345,363)	-	-	-	-
Total revenues	11,771,860	(78,202)	11,693,658	456,192	(832,239)	11,317,611
Expenses						
Program services:						
Outreach and health ministry	1,826,465	-	1,826,465	-	-	1,826,465
Shelter programs	5,602,616	-	5,602,616	412,219	(432,239)	5,582,596
Total program services expense	7,429,081	-	7,429,081	412,219	(432,239)	7,409,061
Management and general	1,252,458	-	1,252,458	412,957	(400,000)	1,265,415
Fund-raising	1,462,028	-	1,462,028	-	-	1,462,028
Total expense	10,143,567	-	10,143,567	825,176	(832,239)	10,136,504
Change in net assets	1,628,293	(78,202)	1,550,091	(368,984)	-	1,181,107
Net Assets, Beginning	2,625,014	5,537,851	8,162,865	3,354,598	-	11,517,463
Net Assets, Ending	\$ 4,253,307	\$ 5,459,649	\$ 9,712,956	\$ 2,985,614	\$ -	\$ 12,698,570

The Night Ministry and Subsidiary

Consolidating Statement of Activities

Year Ended June 30, 2019

	The Night Ministry			TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions		
Revenues						
Public support:						
Grants, contributions and bequests	\$ 4,004,929	\$ 5,275,039	\$ 9,279,968	\$ -	\$ -	\$ 9,279,968
Board designated grants and contributions	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	9,509,400	2,477,422	11,986,822	408,954	(398,340)	11,997,436
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	9,019,399	-	9,019,399	396,764	(398,340)	9,017,823
Change in net assets	490,001	2,477,422	2,967,423	12,190	-	2,979,613
Net Assets, Beginning	2,135,013	3,060,429	5,195,442	3,342,408	-	8,537,850
Net Assets, Ending	\$ 2,625,014	\$ 5,537,851	\$ 8,162,865	\$ 3,354,598	\$ -	\$ 11,517,463

The Night Ministry and Subsidiary

Consolidating Statement of Functional Expenses
Year Ended June 30, 2020

	The Night Ministry					TNM Asset Management Organization, NFP			Eliminations	Consolidated Total	
	Outreach and Health Ministry	Shelter Programs	Total Program Services	Management and General	Fundraising	Total	Shelter Programs	Management and General			Total
Salaries	\$ 1,158,200	\$ 3,412,603	\$ 4,570,803	\$ 426,379	\$ 600,922	\$ 5,598,104	\$ -	\$ -	\$ -	\$ 104,558	\$ 5,702,662
Employee benefits and payroll taxes	204,616	719,009	923,625	139,296	116,662	1,179,583	-	-	-	-	1,179,583
Total salaries and related expense	1,362,816	4,131,612	5,494,428	565,675	717,584	6,777,687	-	-	-	104,558	6,882,245
Bank charges	-	-	-	33,223	-	33,223	-	18,533	18,533	-	51,756
Consulting fees	1,200	13,646	14,846	36,308	205,088	256,242	-	-	-	-	256,242
Depreciation and amortization	83,298	16,824	100,122	24,882	4,759	129,763	138,337	-	138,337	-	268,100
Dues, books and subscriptions	10,778	15,614	26,392	12,827	19,483	58,702	105	15	120	-	58,822
Equipment leasing	188	6,261	6,449	2,644	-	9,093	-	-	-	-	9,093
In-kind expense	48,906	284,204	333,110	-	-	333,110	-	-	-	-	333,110
Insurance	34,551	35,616	70,167	22,137	3,133	95,437	19,216	2,614	21,830	-	117,267
Kitchen supplies	7,776	143,012	150,788	16,648	36	167,472	1,266	-	1,266	-	168,738
Miscellaneous expense	417	187	604	19,125	4,633	24,362	-	38	38	-	24,400
Occupancy	46,966	627,540	674,506	198,596	409,431	1,282,533	33,081	-	33,081	(432,239)	883,375
Office supplies	1,754	17,206	18,960	9,125	19,280	47,365	-	-	-	-	47,365
Postage and shipping	444	330	774	1,421	18,435	20,630	-	-	-	-	20,630
Printing	413	782	1,195	1,535	50,629	53,359	-	-	-	-	53,359
Professional fees	4,732	(50,265)	(45,533)	165,093	2,054	121,614	96,411	9,105	105,516	(96,410)	130,720
Program and medical supplies expense	46,327	20,079	66,406	2,491	773	69,670	-	-	-	-	69,670
Public relations	71	640	711	7,898	17,159	25,768	-	-	-	-	25,768
Repairs and maintenance	60,904	89,677	150,581	86,108	31,989	268,678	123,803	-	123,803	(8,148)	384,333
Specific assistance	4,724	37,330	42,054	-	-	42,054	-	-	-	-	42,054
Staff/volunteer street expenses	14,433	19,015	33,448	26,024	2,966	62,438	-	(17,348)	(17,348)	-	45,090
Telephone	5,170	65,346	70,516	31,968	1,360	103,844	-	-	-	-	103,844
Grant Expense	-	-	-	-	-	-	-	400,000	400,000	(400,000)	-
Interest Expense	-	-	-	35,974	-	35,974	-	-	-	-	35,974
Travel	8,449	16,427	24,876	23,765	2,327	50,968	-	-	-	-	50,968
Vehicle expenses	63,646	8,475	72,121	1,354	106	73,581	-	-	-	-	73,581
Total functional expenses before allocation of management and general and fund-raising expenses	1,807,963	5,499,558	7,307,521	1,324,821	1,511,225	10,143,567	412,219	412,957	825,176	(832,239)	10,136,504
Allocation of management and general and fund-raising expenses	18,502	103,058	121,560	(72,363)	(49,197)	-	-	-	-	-	-
Total functional expenses	\$ 1,826,465	\$ 5,602,616	\$ 7,429,081	\$ 1,252,458	\$ 1,462,028	\$ 10,143,567	\$ 412,219	\$ 412,957	\$ 825,176	\$ (832,239)	\$ 10,136,504

The Night Ministry and Subsidiary

Consolidating Statement of Functional Expenses
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	226,969	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 expens	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 Cash Flows
Year Ended June 30, 2020

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash Flows From Operating Activities				
Change in new assets	\$ 1,550,091	\$ (368,984)	\$ -	\$ 1,181,107
Adjustments to reconcile change in net assets to net cash flows from operating activities:				
Depreciation and amortization	129,763	138,337	-	268,100
Gain on investments	(236,311)	-	-	(236,311)
Loss on disposal	34,206	-	-	34,206
Contributions restricted to the capital campaign	(619,500)	-	-	(619,500)
Changes in:				
Receivables	(15,650)	(3,404)	403,404	384,350
Security deposits	(1,575)	-	-	(1,575)
Prepaid expenses	(328,345)	(1,625)	-	(329,970)
Accounts payable and accrued expenses	236,144	470,834	(403,404)	303,574
Net cash flows from operating activities	748,823	235,158	-	983,981
Cash Flows From Investing Activities				
Proceeds from sales and maturities of investments	-	400,000	-	400,000
Purchase of investments	(173,914)	-	-	(173,914)
Purchases of property, plant, and equipment	(4,530,583)	(21,902)	-	(4,552,485)
Net cash flows from investing activities	(4,704,497)	378,098	-	(4,326,399)
Cash Flows From Financing Activities				
Proceeds from line of credit	3,000,000	-	-	3,000,000
Proceeds from loans	1,328,872	-	-	1,328,872
Contributions received restricted to the capital campaign	557,000	-	-	557,000
Net cash flows from financing activities	4,885,872	-	-	4,885,872
Net change in cash and cash equivalents	930,198	613,256	-	1,543,454
Cash and Cash Equivalents, Beginning	2,472,875	505,186	-	2,978,061
Cash and Cash Equivalents, Ending	<u>\$ 3,403,073</u>	<u>\$ 1,118,442</u>	<u>\$ -</u>	<u>\$ 4,521,515</u>
Supplemental Cash Flow Disclosure				
Cash paid for interest	<u>\$ 35,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,974</u>

The Night Ministry and SubsidiaryConsolidating Statement of Cash Flows
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 endowment	(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 endowment	<u>234,547</u>	<u>-</u>	<u>-</u>	<u>234,547</u>
Net change in cash and cash equivalents	797,385	141,795	-	939,180
Cash and Cash Equivalents, Beginning	<u>1,675,490</u>	<u>363,391</u>	<u>-</u>	<u>2,038,881</u>
Cash and Cash Equivalents, Ending	<u>\$ 2,472,875</u>	<u>\$ 505,186</u>	<u>\$ -</u>	<u>\$ 2,978,061</u>