

The Night Ministry and Subsidiary

Consolidated Financial Statements and
Supplementary Information

June 30, 2022 and 2021

The Night Ministry and Subsidiary

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June 30, 2022 and 2021

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Independent Auditors' Report

To the Board of Directors of
The Night Ministry and Subsidiary

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Night Ministry and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Report on Consolidating 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

Chicago, Illinois
December 6, 2022

The Night Ministry and Subsidiary

Consolidated Statements of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 2,395,657	\$ 3,707,308
Contributions receivable	374,994	822,851
Government receivables	483,990	398,381
Miscellaneous receivables	14,686	56,459
Prepaid expenses	202,891	186,569
Assets held for sale	169,340	-
Property and equipment, net of accumulated depreciation and amortization	6,508,058	7,060,660
Right of use assets	4,514,134	-
Assets invested for endowment purposes	5,753,461	5,678,064
	<u>5,753,461</u>	<u>5,678,064</u>
Total assets	<u>\$ 20,417,211</u>	<u>\$ 17,910,292</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 567,912	\$ 602,490
Notes payable	1,155,955	2,770,015
Lease liability	5,250,374	-
Paycheck Protection Program loan	-	1,328,872
	<u>-</u>	<u>1,328,872</u>
Total liabilities	<u>6,974,241</u>	<u>4,701,377</u>
Net Assets		
Without donor restrictions:		
Undesignated for general activities	(520,366)	(2,782,346)
Designated by the Board of Directors	3,560,731	3,322,389
Invested in building and equipment	6,508,058	7,060,660
	<u>6,508,058</u>	<u>7,060,660</u>
Total net assets without donor restrictions	<u>9,548,423</u>	<u>7,600,703</u>
With donor restrictions:		
Purpose	2,173,307	3,751,972
Future periods	60,000	195,000
In perpetuity	1,661,240	1,661,240
	<u>1,661,240</u>	<u>1,661,240</u>
Total net assets with donor restrictions	<u>3,894,547</u>	<u>5,608,212</u>
Total net assets	<u>13,442,970</u>	<u>13,208,915</u>
Total liabilities and net assets	<u>\$ 20,417,211</u>	<u>\$ 17,910,292</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Activities

Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Public support:			
Grants, contributions and bequests	\$ 5,762,765	\$ 1,665,093	\$ 7,427,858
Grants from government agencies	2,494,067	-	2,494,067
In-kind revenue	594,526	-	594,526
Special events (net of direct costs of \$99,115)	269,872	-	269,872
Other income:			
Investment income (loss)	(262,128)	(162,947)	(425,075)
PPP loan forgiveness	1,328,872	-	1,328,872
Loss on disposal of assets	(1,803)	-	(1,803)
Miscellaneous income	689	-	689
Net assets released from restrictions:			
Satisfaction of time restrictions	135,000	(135,000)	-
Satisfaction of purpose restrictions	3,080,811	(3,080,811)	-
Total revenues	<u>13,402,671</u>	<u>(1,713,665)</u>	<u>11,689,006</u>
Expenses			
Program services:			
Outreach and health ministry	2,298,572	-	2,298,572
Shelter programs	6,185,279	-	6,185,279
Total program services expense	8,483,851	-	8,483,851
Management and general	1,874,262	-	1,874,262
Fundraising	1,096,838	-	1,096,838
Total expense	<u>11,454,951</u>	<u>-</u>	<u>11,454,951</u>
Change in net assets	<u>1,947,720</u>	<u>(1,713,665)</u>	<u>234,055</u>
Net Assets, Beginning	<u>7,600,703</u>	<u>5,608,212</u>	<u>13,208,915</u>
Net Assets, Ending	<u>\$ 9,548,423</u>	<u>\$ 3,894,547</u>	<u>\$ 13,442,970</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Activities

Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Public support:			
Grants, contributions and bequests	\$ 5,646,875	\$ 2,312,084	\$ 7,958,959
Grants from government agencies	1,886,942	-	1,886,942
In-kind revenue	1,202,403	-	1,202,403
Special events (net of direct costs of \$6,874)	205,796	-	205,796
Other income:			
Investment income	717,317	518,863	1,236,180
Rental income	72,197	-	72,197
Net assets released from restrictions:			
Satisfaction of time restrictions	365,000	(365,000)	-
Satisfaction of purpose restrictions	2,317,384	(2,317,384)	-
Total revenues	<u>12,413,914</u>	<u>148,563</u>	<u>12,562,477</u>
Expenses			
Program services:			
Outreach and health ministry	1,953,064	-	1,953,064
Shelter programs	7,037,575	-	7,037,575
Total program services expense	<u>8,990,639</u>	<u>-</u>	<u>8,990,639</u>
Management and general	2,091,055	-	2,091,055
Fundraising	970,438	-	970,438
Total expense	<u>12,052,132</u>	<u>-</u>	<u>12,052,132</u>
Change in net assets	<u>361,782</u>	<u>148,563</u>	<u>510,345</u>
Net Assets, Beginning	<u>7,238,921</u>	<u>5,459,649</u>	<u>12,698,570</u>
Net Assets, Ending	<u>\$ 7,600,703</u>	<u>\$ 5,608,212</u>	<u>\$ 13,208,915</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	<u>Outreach and Health Ministry</u>	<u>Shelter Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,206,619	\$ 3,632,408	\$ 4,839,027	\$ 650,481	\$ 697,495	\$ 6,187,003
Employee benefits and payroll taxes	346,832	843,720	1,190,552	257,993	138,896	1,587,441
Total salaries and related expense	1,553,451	4,476,128	6,029,579	908,474	836,391	7,774,444
Bank charges	-	-	-	43,528	-	43,528
Consulting fees	-	18,809	18,809	11,442	610	30,861
Depreciation and amortization	589	268,200	268,789	268,183	10,991	547,963
Dues, books and subscriptions	9,637	16,069	25,706	12,880	11,076	49,662
Equipment leasing	14,177	12,230	26,407	31,407	-	57,814
In-kind expense	237,500	357,026	594,526	-	-	594,526
Insurance	26,235	76,877	103,112	50,030	8,192	161,334
Kitchen supplies	6,745	171,975	178,720	18,543	222	197,485
Miscellaneous expense	961	2,415	3,376	58,664	2,354	64,394
Occupancy	255,010	250,199	505,209	24,649	69,704	599,562
Office supplies	430	18,999	19,429	19,294	665	39,388
Postage and shipping	56	-	56	2,000	18,181	20,237
Printing	1,143	1,714	2,857	995	69,615	73,467
Professional fees	2,564	(396)	2,168	242,365	24,623	269,156
Program and medical supplies expense	43,565	20,619	64,184	1,000	148	65,332
Public relations	12	(1,721)	(1,709)	1	59,056	57,348
Repairs and maintenance	46,663	164,838	211,501	106,110	35,220	352,831
Specific assistance	10,478	83,449	93,927	10	-	93,937
Staff/volunteer street expenses	9,477	25,977	35,454	67,793	6,201	109,448
Telephone	8,410	68,633	77,043	28,931	2,364	108,338
Interest expense	-	-	-	74,097	-	74,097
Travel	2,692	6,382	9,074	6,366	561	16,001
Vehicle expenses	44,035	9,045	53,080	668	50	53,798
Total functional expenses before allocation of management and general and fund-raising expenses	2,273,830	6,047,467	8,321,297	1,977,430	1,156,224	11,454,951
Allocation of management and general and fund-raising expenses	24,742	137,812	162,554	(103,168)	(59,386)	-
Total functional expenses	<u>\$ 2,298,572</u>	<u>\$ 6,185,279</u>	<u>\$ 8,483,851</u>	<u>\$ 1,874,262</u>	<u>\$ 1,096,838</u>	<u>\$ 11,454,951</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

	<u>Outreach and Health Ministry</u>	<u>Shelter Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,111,879	\$ 3,585,660	\$ 4,697,539	\$ 513,779	\$ 628,033	\$ 5,839,351
Employee benefits and payroll taxes	273,672	895,424	1,169,096	233,397	139,042	1,541,535
Total salaries and related expense	1,385,551	4,481,084	5,866,635	747,176	767,075	7,380,886
Bank charges	-	-	-	60,964	-	60,964
Consulting fees	-	39,875	39,875	9,422	33,194	82,491
Depreciation and amortization	21,612	272,175	293,787	280,607	6,427	580,821
Dues, books and subscriptions	12,290	21,987	34,277	29,352	7,838	71,467
Equipment leasing	699	8,243	8,942	1,056	-	9,998
In-kind expense	183,750	1,018,653	1,202,403	-	-	1,202,403
Insurance	21,856	60,320	82,176	26,816	5,614	114,606
Kitchen supplies	6,893	206,521	213,414	35,883	337	249,634
Miscellaneous expense	99	992	1,091	96,216	719	98,026
Occupancy	50,987	285,260	336,247	530,504	30,969	897,720
Office supplies	1,964	11,964	13,928	30,251	8,146	52,325
Postage and shipping	97	209	306	1,515	19,168	20,989
Printing	859	401	1,260	2,078	60,479	63,817
Professional fees	12,560	27,649	40,209	130,244	35	170,488
Program and medical supplies expense	44,155	17,757	61,912	874	131	62,917
Public relations	101	188	289	156	68,750	69,195
Repairs and maintenance	49,961	225,502	275,463	101,463	18,045	394,971
Specific assistance	4,888	38,323	43,211	50	-	43,261
Staff/volunteer street expenses	33,574	20,537	54,111	41,674	1,440	97,225
Telephone	12,438	56,674	69,112	65,960	2,638	137,710
Interest expense	-	-	-	101,075	-	101,075
Travel	813	1,031	1,844	7,730	115	9,689
Vehicle expenses	66,198	9,856	76,054	3,336	64	79,454
Total functional expenses before allocation of management and general and fund-raising expenses	1,911,345	6,805,201	8,716,546	2,304,402	1,031,184	12,052,132
Allocation of management and general and fund-raising expenses	41,719	232,374	274,093	(213,347)	(60,746)	-
Total functional expenses	<u>\$ 1,953,064</u>	<u>\$ 7,037,575</u>	<u>\$ 8,990,639</u>	<u>\$ 2,091,055</u>	<u>\$ 970,438</u>	<u>\$ 12,052,132</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 234,055	\$ 510,345
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation and amortization	547,963	580,821
Lease incentives received	872,000	-
Amortization of lease incentives	(135,760)	-
(Gain) loss on investments	606,950	(1,183,014)
Loss on disposal of assets	1,803	-
PPP loan forgiveness	(1,328,872)	-
Contributions restricted to the endowment and capital campaign	-	(201,120)
Changes in:		
Receivables	197,559	237,464
Security deposits	-	11,575
Prepaid expenses	(16,322)	318,009
Accounts payable and accrued expenses	(34,578)	(152,125)
Net cash flows from operating activities	<u>944,798</u>	<u>121,955</u>
Cash Flows From Investing Activities		
Purchase of investments	(682,347)	(269,094)
Purchases of property and equipment	(166,504)	(556,284)
Net cash flows from investing activities	<u>(848,851)</u>	<u>(825,378)</u>
Cash Flows From Financing Activities		
Principal repayments on note payable	(1,614,060)	(229,985)
Contributions received restricted to the capital campaign	206,462	119,201
Net cash flows from financing activities	<u>(1,407,598)</u>	<u>(110,784)</u>
Net change in cash and cash equivalents	(1,311,651)	(814,207)
Cash and Cash Equivalents, Beginning	<u>3,707,308</u>	<u>4,521,515</u>
Cash and Cash Equivalents, Ending	<u>\$ 2,395,657</u>	<u>\$ 3,707,308</u>
Supplemental Cash Flow Disclosure		
Cash paid for interest	<u>\$ 74,097</u>	<u>\$ 101,075</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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 and Materials

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 \$237,500 and \$183,750 are reflected in the accompanying consolidated financial statements as in-kind revenue and expense for 2022 and 2021, respectively.

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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 2022 and 2021, management estimates the Organization received approximately 23,000 and 21,000 hours of volunteer services valued at approximately \$873,000 and \$816,000, respectively.

The Organization received \$357,026 and \$1,018,653 of donated goods and materials during fiscal years 2022 and 2021, respectively, which are reflected in the accompanying financial statements as in-kind revenue and expense.

For the years ended June 30, contributed services and materials recognized within the statements of activities included:

	<u>2022</u>	<u>2021</u>
Medical services	\$ 237,500	\$ 183,750
Food, clothing and supplies	301,570	-
Pharmaceuticals and medical supplies	<u>55,456</u>	<u>1,018,653</u>
	<u>\$ 594,526</u>	<u>\$ 1,202,403</u>

Contributed food, clothing and supplies and pharmaceuticals and medical supplies were utilized in the shelter programs. In valuing these items, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. Contributed medical services were provided in the outreach and health ministry by doctors. Medical services were based on the estimated hourly value of such services.

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

June 30, 2022 and 2021

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.

Certain property and equipment was classified as held for sale as of June 30, 2022 as management had committed to a plan to sell the property and equipment in the following year. See Note 18 regarding sale after year-end.

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 has several grants in which it was deemed non-exchange conditional and the conditions at June 30, 2022 were not met. The remaining amount to be recognized next year is \$651,056.

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

June 30, 2022 and 2021

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, 2022, the Organization received support from three nongovernmental donor totaling \$1,291,055. In the year ended June 30, 2021, the Organization received support from one nongovernmental donors totaling \$600,000. 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 Pronouncements Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 was issued to increase transparency and comparability among entities. Lessees will need to recognize nearly all lease transactions (other than leases that meet the definition of a short-term lease) on the statement of financial position as a lease liability and a right-to-use asset (as defined). The Organization adopted this standard as of July 1, 2021, using a modified retrospective approach. As a result of the adoption, the Organization recorded right-of-use assets and operating lease liabilities on the statements of financial position and expanded disclosures in Note 7.

During 2022, the Organization adopted FASB 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 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The Organization has adjusted the presentation of these financial statements accordingly. ASU No. 2020-07 has been applied retrospectively to all periods presented.

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>2022</u>	<u>2021</u>
Agencies of the State of Illinois	\$ 28,850	\$ 25,001
Agencies of the City of Chicago	287,094	303,194
U.S. Department of Health and Human Services	69,253	47,077
U.S. Department of Housing and Urban Development	98,793	23,109
Total	<u>\$ 483,990</u>	<u>\$ 398,381</u>

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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 \$374,994 and \$822,851 at June 30, 2022 and 2021, respectively. Of the amount receivable at June 30, 2022, \$254,686 was expected to be received within one year and \$120,308 was expected to be received between one and five years.

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; and
- 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, 2022 and 2021.

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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 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:

	2022			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 212	\$ -	\$ -	\$ 212
Mutual funds	2,706,539	-	-	2,706,539
Exchange traded funds	3,046,710	-	-	3,046,710
Total	<u>\$ 5,753,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,753,461</u>

	2021			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 231	\$ -	\$ -	\$ 231
Mutual funds	2,493,528	-	-	2,493,528
Exchange traded funds	3,184,305	-	-	3,184,305
Total	<u>\$ 5,678,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,678,064</u>

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

6. Property and Equipment

At June 30, 2022 and 2021, the cost and accumulated depreciation and amortization for property and equipment were as follows:

	<u>2022</u>	<u>2021</u>
Land, Lakeview Shelter	\$ -	\$ 51,570
Building, Lakeview Shelter	-	349,365
Land, West Town Shelter	264,662	264,662
Building, West Town Shelter	3,021,764	3,117,390
Building improvements, Lakeview Shelter	-	544,745
Equipment	1,525,660	1,606,122
Furniture and fixtures	425,427	425,427
Vehicles	960,413	960,413
Software	62,171	62,171
Leasehold improvements	4,867,457	4,867,457
Construction in progress	117,550	-
	<u>11,245,104</u>	<u>12,249,322</u>
Less accumulated amortization	(302,743)	(302,743)
Less accumulated depreciation	<u>(4,434,303)</u>	<u>(4,885,919)</u>
Total	<u>\$ 6,508,058</u>	<u>\$ 7,060,660</u>

Depreciation expense charged to operations for the fiscal years ended June 30, 2022 and 2021, totaled \$207,543 and \$219,530, respectively. Amortization expense charged to operations for the fiscal years ended June 30, 2022 and 2021, totaled \$340,420 and \$361,291, respectively.

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, with a five year renewal option. The discount rate used for the year ending June 30, 2022 was 3.75%. Total charges to operations for rental expense during the fiscal years ended June 30, 2022 and 2021, amounted to \$506,386 and \$807,583, respectively.

Future minimum lease payments as of June 30, 2022 are as follows:

	<u>Operating Lease</u>
Years ending June 30:	
2023	\$ 502,308
2024	513,208
2025	524,108
2026	535,008
2027	545,908
Thereafter	<u>4,073,877</u>
Total minimum lease payments	6,694,417
Less amount representing interest	<u>(1,444,043)</u>
Present value of net minimum lease payments	<u>\$ 5,250,374</u>

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

As part of the lease agreement, the lessor provided to TNM \$872,000 towards leasehold improvements that were made to the facility. This amount reduces the right of use assets on the statement of financial position and is included in the amortization over the term of the lease.

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 \$471,792 and \$433,179 for the years ended June 30, 2022 and 2021, 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 \$3,560,731 and \$3,322,389 at June 30, 2022 and 2021, respectively.

9. Net Assets With Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Outreach health services	\$ 322,500	\$ 47,000
Youth programs and shelters	177,200	105,000
Capital campaign	942,093	2,705,511
Donor-restricted endowment investment income	<u>731,514</u>	<u>894,461</u>
Subtotal	2,173,307	3,751,972
Future periods	60,000	195,000
Held in perpetuity	<u>1,661,240</u>	<u>1,661,240</u>
Total with donor restrictions	<u>\$ 3,894,547</u>	<u>\$ 5,608,212</u>

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

June 30, 2022 and 2021

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 consider 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% of the three-year moving average of the fair market value of the endowments' 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>2022</u>	<u>2021</u>
Assets invested for endowment purposes	\$ 5,753,461	\$ 5,678,064
Total underlying assets of the endowment	<u>\$ 5,753,461</u>	<u>\$ 5,678,064</u>

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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, 2020	\$ 2,389,143	\$ 1,836,813	\$ 4,225,956
Contributions and designations	220,000	-	220,000
Investment income:			
Gains	671,667	488,704	1,160,371
Interest and dividends	41,579	30,158	71,737
Balance, June 30, 2021	3,322,389	2,355,675	5,678,064
Contributions and designations	505,485	-	505,485
Investment income:			
Losses	(371,610)	(235,887)	(607,497)
Interest and dividends	104,467	72,942	177,409
Balance, June 30, 2022	<u>\$ 3,560,731</u>	<u>\$ 2,192,730</u>	<u>\$ 5,753,461</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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,395,657	\$ 3,707,308
Contributions receivables for operations	136,346	303,050
Government receivable	483,990	398,381
Miscellaneous receivables	14,686	56,459
Total financial assets available for general expenditures	<u>\$ 3,030,679</u>	<u>\$ 4,465,198</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, 2022 and 2021

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 \$109,131 and \$107,463 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, amounts maintained in excess of FDIC insured limits or in non-FDIC insured money market fund accounts approximated \$1,542,000 and \$2,905,000, 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.

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% 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% and monthly principal and interest payments. The Organization received full forgiveness of the PPP loan in August 2021. PPP loan forgiveness revenue of \$1,328,872 is included on the statement of activities for the year ended June 30, 2022. At June 30, 2021, the PPP loan in the amount of \$1,328,872 was recorded as a liability on the statements of financial position.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

16. Note Payable

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, including remaining principal outstanding, is scheduled for July 30, 2025.

At June 30, 2022 and 2021, the outstanding balance of the note payable balance was \$1,155,955 and \$2,770,015, respectively. Total interest expense on the note payable amounted to \$74,097 and \$101,075 for the year ended June 30, 2022 and 2021, respectively.

Future fiscal year note payable obligations as of June 30, 2022, are as follows:

	<u>Principal</u>
2023	\$ 322,804
2024	335,227
2025	348,264
2026	<u>149,660</u>
Total	<u>\$ 1,155,955</u>

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, 2022 and 2021. 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 6, 2022, the date that the financial statements were available to be issued for events requiring recording or disclosure in the Organization's consolidated financial statements.

In September 2022, the assets held for sale were sold to a third party for proceeds of \$823,284.

The Night Ministry and SubsidiaryConsolidating Statement of Financial Position
Year Ended June 30, 2022

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Assets				
Cash and cash equivalents	\$ 1,641,054	\$ 754,603	\$ -	\$ 2,395,657
Contributions receivable	374,994	-	-	374,994
Government receivables	483,990	-	-	483,990
Miscellaneous receivables	14,686	-	-	14,686
Prepaid expenses	202,891	-	-	202,891
Assets held for sale	-	169,340	-	169,340
Property and equipment, net of accumulated depreciation and amortization	4,485,569	2,022,489	-	6,508,058
Right of use assets	4,514,134	-	-	4,514,134
Assets invested for endowment purposes	5,753,461	-	-	5,753,461
Total assets	\$ 17,470,779	\$ 2,946,432	\$ -	\$ 20,417,211
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 566,831	\$ 1,081	\$ -	\$ 567,912
Notes payable	1,155,955	-	-	1,155,955
Lease liability	5,250,374	-	-	5,250,374
Total liabilities	6,973,160	1,081	-	6,974,241
Net Assets				
Without donor restrictions:				
Undesignated for general activities	(1,443,228)	922,862	-	(520,366)
Designated by the Boards of Directors	3,560,731	-	-	3,560,731
Invested in building and equipment	4,485,569	2,022,489	-	6,508,058
Total net assets without donor restrictions	6,603,072	2,945,351	-	9,548,423
With donor restrictions:				
Purpose	2,173,307	-	-	2,173,307
Future periods	60,000	-	-	60,000
In perpetuity	1,661,240	-	-	1,661,240
Total net assets with donor restrictions	3,894,547	-	-	3,894,547
Total net assets	10,497,619	2,945,351	-	13,442,970
Total liabilities and net assets	\$ 17,470,779	\$ 2,946,432	\$ -	\$ 20,417,211

The Night Ministry and SubsidiaryConsolidating Statement of Financial Position
Year Ended June 30, 2021

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Assets				
Cash and cash equivalents	\$ 2,929,339	\$ 777,969	\$ -	\$ 3,707,308
Contributions receivable	822,851	-	-	822,851
Government receivables	398,381	-	-	398,381
Miscellaneous receivables	56,459	33,653	(33,653)	56,459
Prepaid expenses	186,569	-	-	186,569
Property and equipment, net of accumulated depreciation and amortization	4,865,726	2,194,934	-	7,060,660
Assets invested for endowment purposes	5,678,064	-	-	5,678,064
Total assets	<u>\$ 14,937,389</u>	<u>\$ 3,006,556</u>	<u>\$ (33,653)</u>	<u>\$ 17,910,292</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 621,378	\$ 14,765	\$ (33,653)	\$ 602,490
Notes payable	2,770,015	-	-	2,770,015
Paycheck Protection Program loan	1,328,872	-	-	1,328,872
Total liabilities	<u>4,720,265</u>	<u>14,765</u>	<u>(33,653)</u>	<u>4,701,377</u>
Net Assets				
Without donor restrictions:				
Undesignated for general activities	(3,579,203)	796,857	-	(2,782,346)
Designated by the Boards of Directors	3,322,389	-	-	3,322,389
Invested in building and equipment	4,865,726	2,194,934	-	7,060,660
Total net assets without donor restrictions	<u>4,608,912</u>	<u>2,991,791</u>	<u>-</u>	<u>7,600,703</u>
With donor restrictions:				
Purpose	3,751,972	-	-	3,751,972
Future periods	195,000	-	-	195,000
In perpetuity	1,661,240	-	-	1,661,240
Total net assets with donor restrictions	<u>5,608,212</u>	<u>-</u>	<u>-</u>	<u>5,608,212</u>
Total net assets	<u>10,217,124</u>	<u>2,991,791</u>	<u>-</u>	<u>13,208,915</u>
Total liabilities and net assets	<u>\$ 14,937,389</u>	<u>\$ 3,006,556</u>	<u>\$ (33,653)</u>	<u>\$ 17,910,292</u>

The Night Ministry and Subsidiary

Consolidating Statement of Activities
Year Ended June 30, 2022

	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	\$ 5,823,065	\$ 1,665,093	\$ 7,488,158	\$ 139,700	\$ (200,000)	\$ 7,427,858
Grants from government agencies	2,494,067	-	2,494,067	-	-	2,494,067
In-kind revenue	594,526	-	594,526	-	-	594,526
Special events (net of direct costs of \$99,115)	269,872	-	269,872	-	-	269,872
Other income:						
Investment income (loss)	(262,128)	(162,947)	(425,075)	-	-	(425,075)
Rental income	-	-	-	471,792	(471,792)	-
PPP loan forgiveness	1,328,872	-	1,328,872	-	-	1,328,872
Loss on disposal of assets	(1,803)	-	(1,803)	-	-	(1,803)
Miscellaneous income	689	-	689	-	-	689
Net assets released from restrictions:						
Satisfaction of time restrictions	135,000	(135,000)	-	-	-	-
Satisfaction of purpose restrictions	3,080,811	(3,080,811)	-	-	-	-
Total revenues	13,462,971	(1,713,665)	11,749,306	611,492	(671,792)	11,689,006
Expenses						
Program services:						
Outreach and health ministry	2,298,572	-	2,298,572	-	-	2,298,572
Shelter programs	6,236,083	-	6,236,083	420,988	(471,792)	6,185,279
Total program services expense	8,534,655	-	8,534,655	420,988	(471,792)	8,483,851
Management and general	1,837,318	-	1,837,318	236,944	(200,000)	1,874,262
Fundraising	1,096,838	-	1,096,838	-	-	1,096,838
Total expense	11,468,811	-	11,468,811	657,932	(671,792)	11,454,951
Change in net assets	1,994,160	(1,713,665)	280,495	(46,440)	-	234,055
Net Assets, Beginning	4,608,912	5,608,212	10,217,124	2,991,791	-	13,208,915
Net Assets, Ending	\$ 6,603,072	\$ 3,894,547	\$ 10,497,619	\$ 2,945,351	\$ -	\$ 13,442,970

The Night Ministry and Subsidiary

Consolidating Statement of Activities

Year Ended June 30, 2021

	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	\$ 5,646,875	\$ 2,312,084	\$ 7,958,959	\$ -	\$ -	\$ 7,958,959
Grants from government agencies	1,886,942	-	1,886,942	-	-	1,886,942
In-kind revenue	1,202,403	-	1,202,403	-	-	1,202,403
Special events (net of direct costs of \$6,874)	205,796	-	205,796	-	-	205,796
Other income:						
Investment income	717,317	518,863	1,236,180	-	-	1,236,180
Rental income	72,197	-	72,197	433,179	(433,179)	72,197
Miscellaneous income	(59,935)	-	(59,935)	59,935	-	-
Net assets released from restrictions:						
Satisfaction of time restrictions	365,000	(365,000)	-	-	-	-
Satisfaction of purpose restrictions	2,317,384	(2,317,384)	-	-	-	-
Total revenues	12,353,979	148,563	12,502,542	493,114	(433,179)	12,562,477
Expenses						
Program services:						
Outreach and health ministry	1,953,064	-	1,953,064	-	-	1,953,064
Shelter programs	7,052,058	-	7,052,058	418,696	(433,179)	7,037,575
Total program services expense	9,005,122	-	9,005,122	418,696	(433,179)	8,990,639
Management and general	2,022,814	-	2,022,814	68,241	-	2,091,055
Fundraising	970,438	-	970,438	-	-	970,438
Total expense	11,998,374	-	11,998,374	486,937	(433,179)	12,052,132
Change in net assets	355,605	148,563	504,168	6,177	-	510,345
Net Assets, Beginning	4,253,307	5,459,649	9,712,956	2,985,614	-	12,698,570
Net Assets, Ending	\$ 4,608,912	\$ 5,608,212	\$ 10,217,124	\$ 2,991,791	\$ -	\$ 13,208,915

The Night Ministry and Subsidiary

Consolidating Statement of Functional Expenses
Year Ended June 30, 2022

	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	\$ 1,206,619	\$ 3,468,494	\$ 4,675,113	\$ 650,481	\$ 697,495	\$ 6,023,089	\$ -	\$ -	\$ -	\$ 163,914	\$ 6,187,003
Employee benefits and payroll taxes	346,832	843,720	1,190,552	257,993	138,896	1,587,441	-	-	-	-	1,587,441
Total salaries and related expense	1,553,451	4,312,214	5,865,665	908,474	836,391	7,610,530	-	-	-	163,914	7,774,444
Bank charges	-	-	-	43,348	-	43,348	-	180	180	-	43,528
Consulting fees	-	18,809	18,809	11,442	610	30,861	-	-	-	-	30,861
Depreciation and amortization	589	133,984	134,573	268,183	10,991	413,747	134,216	-	134,216	-	547,963
Dues, books and subscriptions	9,637	16,069	25,706	12,880	11,076	49,662	-	-	-	-	49,662
Equipment leasing	14,177	12,230	26,407	31,407	-	57,814	-	-	-	-	57,814
Grants	-	-	-	-	-	-	-	200,000	200,000	(200,000)	-
In-kind expense	237,500	357,026	594,526	-	-	594,526	-	-	-	-	594,526
Insurance	26,235	70,318	96,553	40,378	8,192	145,123	6,559	9,652	16,211	-	161,334
Kitchen supplies	6,745	171,044	177,789	18,543	222	196,554	931	-	931	-	197,485
Miscellaneous expense	961	2,415	3,376	25,008	2,354	30,738	-	33,656	33,656	-	64,394
Occupancy	255,010	684,939	939,949	24,649	69,704	1,034,302	37,052	-	37,052	(471,792)	599,562
Office supplies	430	18,999	19,429	19,294	665	39,388	-	-	-	-	39,388
Postage and shipping	56	-	56	2,000	18,181	20,237	-	-	-	-	20,237
Printing	1,143	1,714	2,857	995	69,615	73,467	-	-	-	-	73,467
Professional fees	2,564	20,957	23,521	220,996	24,623	269,140	128,701	21,369	150,070	(150,054)	269,156
Program and medical supplies expense	43,565	20,619	64,184	1,000	148	65,332	-	-	-	-	65,332
Public relations	12	(1,721)	(1,709)	1	59,056	57,348	-	-	-	-	57,348
Repairs and maintenance	46,663	65,169	111,832	134,023	35,220	281,075	113,529	(27,913)	85,616	(13,860)	352,831
Specific assistance	10,478	83,449	93,927	10	-	93,937	-	-	-	-	93,937
Staff/volunteer street expenses	9,477	25,977	35,454	67,793	6,201	109,448	-	-	-	-	109,448
Telephone	8,410	68,633	77,043	28,931	2,364	108,338	-	-	-	-	108,338
Interest expense	-	-	-	74,097	-	74,097	-	-	-	-	74,097
Travel	2,692	6,382	9,074	6,366	561	16,001	-	-	-	-	16,001
Vehicle expenses	44,035	9,045	53,080	668	50	53,798	-	-	-	-	53,798
Total functional expenses before allocation of management and general and fund-raising expenses	2,273,830	6,098,271	8,372,101	1,940,486	1,156,224	11,468,811	420,988	236,944	657,932	(671,792)	11,454,951
Allocation of management and general and fund-raising expenses	24,742	137,812	162,554	(103,168)	(59,386)	-	-	-	-	-	-
Total functional expenses	\$ 2,298,572	\$ 6,236,083	\$ 8,534,655	\$ 1,837,318	\$ 1,096,838	\$ 11,468,811	\$ 420,988	\$ 236,944	\$ 657,932	\$ (671,792)	\$ 11,454,951

The Night Ministry and Subsidiary

Consolidating Statement of Functional Expenses
Year Ended June 30, 2021

	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	\$ 1,111,879	\$ 3,464,626	\$ 4,576,505	\$ 513,779	\$ 628,033	\$ 5,718,317	\$ -	\$ -	\$ -	\$ 121,034	\$ 5,839,351
Employee benefits and payroll taxes	273,672	895,424	1,169,096	233,397	139,042	1,541,535	-	-	-	-	1,541,535
Total salaries and related expense	1,385,551	4,360,050	5,745,601	747,176	767,075	7,259,852	-	-	-	121,034	7,380,886
Bank charges	-	-	-	60,859	-	60,859	-	105	105	-	60,964
Consulting fees	-	39,875	39,875	9,422	33,194	82,491	-	-	-	-	82,491
Depreciation and amortization	21,612	135,193	156,805	280,607	6,427	443,839	136,982	-	136,982	-	580,821
Dues, books and subscriptions	12,290	21,987	34,277	29,352	7,838	71,467	-	-	-	-	71,467
Equipment leasing	699	8,243	8,942	1,056	-	9,998	-	-	-	-	9,998
In-kind expense	183,750	1,018,653	1,202,403	-	-	1,202,403	-	-	-	-	1,202,403
Insurance	49,110	70,966	70,966	26,816	5,614	103,396	11,210	-	11,210	-	114,606
Kitchen supplies	6,893	204,568	211,461	35,883	337	247,681	1,953	-	1,953	-	249,634
Miscellaneous expense	99	992	1,091	70,494	719	72,304	-	25,722	25,722	-	98,026
Occupancy	50,987	679,238	730,225	530,504	30,969	1,291,698	39,201	-	39,201	(433,179)	897,720
Office supplies	1,964	11,964	13,928	30,251	8,146	52,325	-	-	-	-	52,325
Postage and shipping	97	209	306	1,515	19,168	20,989	-	-	-	-	20,989
Printing	859	401	1,260	2,078	60,479	63,817	-	-	-	-	63,817
Professional fees	12,560	27,650	40,210	98,278	35	138,523	77,233	31,966	109,199	(77,234)	170,488
Program and medical supplies expense	44,155	17,757	61,912	874	131	62,917	-	-	-	-	62,917
Public relations	101	188	289	156	68,750	69,195	-	-	-	-	69,195
Repairs and maintenance	49,961	117,185	167,146	91,015	18,045	276,206	152,117	10,448	162,565	(43,800)	394,971
Specific assistance	4,888	38,323	43,211	50	-	43,261	-	-	-	-	43,261
Staff/volunteer street expenses	33,574	20,537	54,111	41,674	1,440	97,225	-	-	-	-	97,225
Telephone	12,438	56,674	69,112	65,960	2,638	137,710	-	-	-	-	137,710
Interest expense	-	-	-	101,075	-	101,075	-	-	-	-	101,075
Travel	813	1,031	1,844	7,730	115	9,689	-	-	-	-	9,689
Vehicle expenses	66,198	9,856	76,054	3,336	64	79,454	-	-	-	-	79,454
Total functional expenses before allocation of management and general and fund-raising expenses	1,911,345	6,819,684	8,731,029	2,236,161	1,031,184	11,998,374	418,696	68,241	486,937	(433,179)	12,052,132
Allocation of management and general and fund-raising expenses	41,719	232,374	274,093	(213,347)	(60,746)	-	-	-	-	-	-
Total functional expenses	\$ 1,953,064	\$ 7,052,058	\$ 9,005,122	\$ 2,022,814	\$ 970,438	\$ 11,998,374	\$ 418,696	\$ 68,241	\$ 486,937	\$ (433,179)	\$ 12,052,132

The Night Ministry and SubsidiaryConsolidating Statement of Cash Flows
Year Ended June 30, 2022

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash Flows From Operating Activities				
Change in new assets	\$ 280,495	\$ (46,440)	\$ -	\$ 234,055
Adjustments to reconcile change in net assets to net cash flows from operating activities:				
Depreciation and amortization	413,747	134,216	-	547,963
Lease incentives received	872,000	-	-	872,000
Amortization of lease incentives	(135,760)	-	-	(135,760)
Loss on investments	606,950	-	-	606,950
Loss on disposal of assets	1,803	-	-	1,803
PPP loan forgiveness	(1,328,872)	-	-	(1,328,872)
Changes in:				
Receivables	197,559	33,653	(33,653)	197,559
Prepaid expenses	(16,322)	-	-	(16,322)
Accounts payable and accrued expenses	(54,547)	(13,684)	33,653	(34,578)
Net cash flows from operating activities	<u>837,053</u>	<u>107,745</u>	<u>-</u>	<u>944,798</u>
Cash Flows From Investing Activities				
Purchase of investments	(682,347)	-	-	(682,347)
Purchases of property, plant and equipment	(35,393)	(131,111)	-	(166,504)
Net cash flows from investing activities	<u>(717,740)</u>	<u>(131,111)</u>	<u>-</u>	<u>(848,851)</u>
Cash Flows From Financing Activities				
Principal repayments on note payable	(1,614,060)	-	-	(1,614,060)
Contributions received restricted to the capital campaign	206,462	-	-	206,462
Net cash flows from financing activities	<u>(1,407,598)</u>	<u>-</u>	<u>-</u>	<u>(1,407,598)</u>
Net change in cash and cash equivalents	(1,288,285)	(23,366)	-	(1,311,651)
Cash and Cash Equivalents, Beginning	<u>2,929,339</u>	<u>777,969</u>	<u>-</u>	<u>3,707,308</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,641,054</u>	<u>\$ 754,603</u>	<u>\$ -</u>	<u>\$ 2,395,657</u>
Supplemental Cash Flow Disclosure				
Cash paid for interest	<u>\$ 74,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,097</u>

The Night Ministry and SubsidiaryConsolidating Statement of Cash Flows
Year Ended June 30, 2021

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash Flows From Operating Activities				
Change in new assets	\$ 504,168	\$ 6,177	\$ -	\$ 510,345
Adjustments to reconcile change in net assets to net cash flows from operating activities:				
Depreciation and amortization	443,839	136,982	-	580,821
Gain on investments	(1,183,014)	-	-	(1,183,014)
Contributions restricted to the capital campaign	(201,120)	-	-	(201,120)
Changes in:				
Receivables	637,464	13,387	(413,387)	237,464
Security deposits	11,575	-	-	11,575
Prepaid expenses	314,078	3,931	-	318,009
Accounts payable and accrued expenses	(108,509)	(457,003)	413,387	(152,125)
Net cash flows from operating activities	<u>418,481</u>	<u>(296,526)</u>	<u>-</u>	<u>121,955</u>
Cash Flows From Investing Activities				
Purchase of investments	(269,094)	-	-	(269,094)
Purchases of property, plant and equipment	<u>(512,337)</u>	<u>(43,947)</u>	<u>-</u>	<u>(556,284)</u>
Net cash flows from investing activities	<u>(781,431)</u>	<u>(43,947)</u>	<u>-</u>	<u>(825,378)</u>
Cash Flows From Financing Activities				
Principal repayments on note payable	(229,985)	-	-	(229,985)
Contributions received restricted to the capital campaign	<u>119,201</u>	<u>-</u>	<u>-</u>	<u>119,201</u>
Net cash flows from financing activities	<u>(110,784)</u>	<u>-</u>	<u>-</u>	<u>(110,784)</u>
Net change in cash and cash equivalents	(473,734)	(340,473)	-	(814,207)
Cash and Cash Equivalents, Beginning	<u>3,403,073</u>	<u>1,118,442</u>	<u>-</u>	<u>4,521,515</u>
Cash and Cash Equivalents, Ending	<u>\$ 2,929,339</u>	<u>\$ 777,969</u>	<u>\$ -</u>	<u>\$ 3,707,308</u>
Supplemental Cash Flow Disclosure				
Cash paid for interest	<u>\$ 101,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,075</u>