

The Night Ministry and Subsidiary

Consolidated Financial Statements and
Supplementary Information

June 30, 2023 and 2022

The Night Ministry and Subsidiary

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June 30, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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 5, 2023

The Night Ministry and Subsidiary

Consolidated Statements of Financial Position

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 1,154,980	\$ 2,395,657
Contributions receivable	1,061,459	374,994
Government receivables	354,528	483,990
Miscellaneous receivables	48,463	14,686
Prepaid expenses	333,953	202,891
Assets held for sale	-	169,340
Property and equipment, net of accumulated depreciation and amortization	6,656,210	6,508,058
Right of use assets	4,246,660	4,514,134
Assets invested for endowment purposes	6,820,879	5,753,461
	<u>6,820,879</u>	<u>5,753,461</u>
Total assets	<u>\$ 20,677,132</u>	<u>\$ 20,417,211</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 553,000	\$ 567,912
Notes payable	833,178	1,155,955
Lease liability	5,040,077	5,250,374
	<u>5,040,077</u>	<u>5,250,374</u>
Total liabilities	<u>6,426,255</u>	<u>6,974,241</u>
Net Assets		
Without donor restrictions:		
Undesignated for general activities	(208,954)	(520,366)
Designated by the Board of Directors	4,315,991	3,560,731
Invested in building and equipment	6,656,210	6,508,058
	<u>6,656,210</u>	<u>6,508,058</u>
Total net assets without donor restrictions	<u>10,763,247</u>	<u>9,548,423</u>
With donor restrictions:		
Purpose	1,401,642	2,173,307
Future periods	420,000	60,000
In perpetuity	1,665,988	1,661,240
	<u>1,665,988</u>	<u>1,661,240</u>
Total net assets with donor restrictions	<u>3,487,630</u>	<u>3,894,547</u>
Total net assets	<u>14,250,877</u>	<u>13,442,970</u>
Total liabilities and net assets	<u>\$ 20,677,132</u>	<u>\$ 20,417,211</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Activities

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Public support:			
Grants, contributions and bequests	\$ 5,273,704	\$ 2,401,752	\$ 7,675,456
Grants from government agencies	2,781,450	-	2,781,450
In-kind revenue	734,192	-	734,192
Special events (net of direct costs of \$104,551)	232,206	-	232,206
Other income:			
Investment income	508,851	307,411	816,262
Gain on disposal of assets	653,944	-	653,944
Miscellaneous income	9,318	-	9,318
Net assets released from restrictions:			
Satisfaction of time restrictions	660,000	(660,000)	-
Satisfaction of purpose restrictions	2,456,080	(2,456,080)	-
Total revenues	13,309,745	(406,917)	12,902,828
Expenses			
Program services:			
Outreach and health ministry	2,585,022	-	2,585,022
Shelter programs	6,450,253	-	6,450,253
Total program services expense	9,035,275	-	9,035,275
Management and general	2,026,772	-	2,026,772
Fundraising	1,032,874	-	1,032,874
Total expense	12,094,921	-	12,094,921
Change in net assets	1,214,824	(406,917)	807,907
Net Assets, Beginning	9,548,423	3,894,547	13,442,970
Net Assets, Ending	\$ 10,763,247	\$ 3,487,630	\$ 14,250,877

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Activities

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
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	13,402,671	(1,713,665)	11,689,006
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	11,454,951	-	11,454,951
Change in net assets	1,947,720	(1,713,665)	234,055
Net Assets, Beginning	7,600,703	5,608,212	13,208,915
Net Assets, Ending	\$ 9,548,423	\$ 3,894,547	\$ 13,442,970

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Functional Expenses

Year Ended June 30, 2023

	<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	\$ 1,210,799	\$ 3,392,033	\$ 4,602,832	\$ 664,216	\$ 713,070	\$ 5,980,118
Employee benefits and payroll taxes	578,809	857,594	1,436,403	258,316	119,919	1,814,638
Total salaries and related expense	1,789,608	4,249,627	6,039,235	922,532	832,989	7,794,756
Bank charges	-	-	-	40,268	-	40,268
Consulting fees	-	56,265	56,265	7,941	3,985	68,191
Depreciation and amortization	48,881	250,504	299,385	288,871	6,015	594,271
Dues, books and subscriptions	9,675	12,087	21,762	8,673	21,969	52,404
Equipment leasing	-	14,157	14,157	79,601	-	93,758
In-kind expense	275,000	459,314	734,314	-	-	734,314
Insurance	31,808	84,025	115,833	45,688	9,790	171,311
Kitchen supplies	9,749	183,293	193,042	30,250	2	223,294
Miscellaneous expense	370	955	1,325	6,326	509	8,160
Occupancy	143,352	455,473	598,825	224,322	61,960	885,107
Office supplies	2,185	45,861	48,046	33,447	118	81,611
Postage and shipping	33	43	76	1,254	22,621	23,951
Printing	943	291	1,234	(5,572)	92,040	87,702
Professional fees	71	5,265	5,336	211,241	(8,025)	208,552
Program and medical supplies expense	74,925	20,501	95,426	507	133	96,066
Public relations	(273)	1,720	1,447	69,131	18,511	89,089
Repairs and maintenance	67,357	131,501	198,858	52,280	56,813	307,951
Specific assistance	21,294	157,624	178,918	-	-	178,918
Staff/volunteer street expenses	5,303	20,942	26,245	72,745	3,572	102,562
Telephone	10,297	42,960	53,257	64,570	1,858	119,685
Interest expense	-	-	-	38,380	-	38,380
Travel	6,973	13,206	20,179	8,254	481	28,914
Vehicle expenses	45,691	11,922	57,613	8,055	38	65,706
Total functional expenses before allocation of management and general and fund-raising expenses	2,543,242	6,217,536	8,760,778	2,208,764	1,125,379	12,094,921
Allocation of management and general and fund-raising expenses	41,780	232,717	274,497	(181,992)	(92,505)	-
Total functional expenses	<u>\$ 2,585,022</u>	<u>\$ 6,450,253</u>	<u>\$ 9,035,275</u>	<u>\$ 2,026,772</u>	<u>\$ 1,032,874</u>	<u>\$ 12,094,921</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Outreach and Health Ministry	Shelter Programs	Total Program Services	Management and General	Fundraising	Total
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	\$ 2,298,572	\$ 6,185,279	\$ 8,483,851	\$ 1,874,262	\$ 1,096,838	\$ 11,454,951

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Consolidated Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 807,907	\$ 234,055
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation and amortization	594,271	547,963
Noncash lease expense	119,836	-
Lease incentives received	-	872,000
Amortization of lease incentives	(62,659)	(135,760)
(Gain) loss on investments	(540,755)	606,950
(Gain) loss on disposal of assets	(653,944)	1,803
PPP loan forgiveness	-	(1,328,872)
Changes in:		
Receivables	(652,236)	197,559
Prepaid expenses	(131,062)	(16,322)
Accounts payable and accrued expenses	(14,912)	(34,578)
Net cash flows from operating activities	<u>(533,554)</u>	<u>944,798</u>
Cash Flows From Investing Activities		
Purchase of investments	(526,663)	(682,347)
Proceeds from the sale of property, plan and equipment	823,284	-
Purchases of property and equipment	<u>(742,423)</u>	<u>(166,504)</u>
Net cash flows from investing activities	<u>(445,802)</u>	<u>(848,851)</u>
Cash Flows From Financing Activities		
Principal repayments on note payable	(322,777)	(1,614,060)
Contributions received restricted to the capital campaign	<u>61,456</u>	<u>206,462</u>
Net cash flows from financing activities	<u>(261,321)</u>	<u>(1,407,598)</u>
Net change in cash and cash equivalents	(1,240,677)	(1,311,651)
Cash and Cash Equivalents, Beginning	<u>2,395,657</u>	<u>3,707,308</u>
Cash and Cash Equivalents, Ending	<u>\$ 1,154,980</u>	<u>\$ 2,395,657</u>
Supplemental Cash Flow Disclosure		
Cash paid for interest	<u>\$ 38,380</u>	<u>\$ 74,097</u>

See notes to consolidated financial statements

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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 \$275,000 and \$237,500 are reflected in the accompanying consolidated financial statements as in-kind revenue and expense for 2023 and 2022, respectively.

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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 2023 and 2022, management estimates the Organization received approximately 23,000 and 23,000 hours of volunteer services valued at approximately \$914,000 and \$873,000, respectively.

The Organization received \$459,192 and \$357,026 of donated goods and materials during fiscal years 2023 and 2022, 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:

	2023	2022
Medical services	\$ 275,000	\$ 237,500
Food, clothing and supplies	459,192	301,570
Pharmaceuticals and medical supplies	-	55,456
	<u>\$ 734,192</u>	<u>\$ 594,526</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, 2023 and 2022

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. The sale of the property held for sale was completed in September 2022. The Organization received proceeds from the sale of \$823,284 and recognized a gain on disposal of assets of \$653,944 for the year ended June 30, 2023.

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, 2023 were not met. The remaining amount to be recognized next year is \$1,061,174.

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, 2023 and 2022

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, 2023, the Organization received support from five nongovernmental donors totaling \$2,492,689. In the year ended June 30, 2022, the Organization received support from three nongovernmental donors totaling \$1,291,055. The Organization's grant revenue from governmental agencies as shown on the consolidated statement of activities is from three Federal governmental agencies, one agency in the State of Illinois and the City of Chicago.

New Accounting Pronouncement Not Yet Effective

During June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2016-13, *Measurement of Credit Losses on Financial Instruments*. ASU No. 2016-13 requires financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. ASU No. 2016-13 is effective for annual periods beginning after December 15, 2022 (2024). The Organization is currently assessing the effect that ASU No. 2016-13 will have on its operations, financial position and cash flows.

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>2023</u>	<u>2022</u>
Agencies of the State of Illinois	\$ 56,801	\$ 28,850
Agencies of the City of Chicago	192,076	287,094
U.S. Department of Health and Human Services	83,562	69,253
U.S. Department of Housing and Urban Development	22,089	98,793
Total	<u>\$ 354,528</u>	<u>\$ 483,990</u>

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

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 \$1,061,459 and \$374,994 at June 30, 2023 and 2022, respectively. Of the amount receivable at June 30, 2023, \$751,459 was expected to be received within one year and \$310,000 was expected to be received between one and five years.

5. 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.

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Notes to Consolidated Financial Statements
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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, 2023 and 2022.

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:

	2023			Total
	Level 1	Level 2	Level 3	
Money market funds	\$ 18,495	\$ -	\$ -	\$ 18,495
Mutual funds	2,927,036	-	-	2,927,036
Exchange traded funds	3,875,348	-	-	3,875,348
Total	<u>\$ 6,820,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,820,879</u>

	2022			Total
	Level 1	Level 2	Level 3	
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>

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

6. Property and Equipment

At June 30, 2023 and 2022, the cost and accumulated depreciation and amortization for property and equipment were as follows:

	<u>2023</u>	<u>2022</u>
Land, West Town Shelter	\$ 264,662	\$ 264,662
Building, West Town Shelter	3,489,696	3,021,764
Equipment	1,525,660	1,525,660
Furniture and fixtures	458,899	425,427
Vehicles	1,335,617	960,413
Software	62,171	62,171
Leasehold improvements	4,867,457	4,867,457
Construction in progress	21,020	117,550
	<u>12,025,182</u>	<u>11,245,104</u>
Less accumulated amortization	(643,163)	(302,743)
Less accumulated depreciation	<u>(4,725,809)</u>	<u>(4,434,303)</u>
Total	<u>\$ 6,656,210</u>	<u>\$ 6,508,058</u>

Depreciation expense charged to operations for the fiscal years ended June 30, 2023 and 2022, totaled \$253,851 and \$207,543, respectively. Amortization expense charged to operations for both of the fiscal years ended June 30, 2023 and 2022 totaled \$340,420.

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, 2023 was 3.75%. Total charges to operations for rental expense during the fiscal years ended June 30, 2023 and 2022, amounted to \$807,264 and \$506,386, respectively.

Future minimum lease payments as of June 30, 2023 are as follows:

	<u>Operating Lease</u>
Years ending June 30:	
2024	\$ 513,208
2025	524,108
2026	535,008
2027	545,908
2028	556,808
Thereafter	<u>3,517,067</u>
Total minimum lease payments	6,192,107
Less amount representing interest	<u>(1,152,030)</u>
Present value of net minimum lease payments	<u>\$ 5,040,077</u>

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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. Accumulated amortization as of June 30, 2023 and 2022 was \$198,419 and \$135,760, 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 \$313,099 and \$471,792 for the years ended June 30, 2023 and 2022, 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 \$4,315,991 and \$3,560,731 at June 30, 2023 and 2022, respectively.

9. Net Assets With Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Outreach health services	\$ 178,898	\$ 322,500
Youth programs and shelters	130,216	177,200
Capital campaign	53,603	942,093
Donor-restricted endowment investment income	<u>1,038,925</u>	<u>731,514</u>
Subtotal	1,401,642	2,173,307
Future periods	420,000	60,000
Held in perpetuity	<u>1,665,988</u>	<u>1,661,240</u>
Total with donor restrictions	<u>\$ 3,487,630</u>	<u>\$ 3,894,547</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.

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Notes to Consolidated Financial Statements
June 30, 2023 and 2022

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>2023</u>	<u>2022</u>
Assets invested for endowment purposes	\$ 6,820,879	\$ 5,753,461
Total underlying assets of the endowment	<u>\$ 6,820,879</u>	<u>\$ 5,753,461</u>

The Night Ministry and Subsidiary

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

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, 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	3,560,731	2,192,730	5,753,461
Contributions and designations	431,383	4,748	436,131
Investment income:			
Gains	338,556	205,107	543,663
Interest and dividends	171,204	102,303	273,507
Withdrawals from the endowment	(185,883)	-	(185,883)
Balance, June 30, 2023	<u>\$ 4,315,991</u>	<u>\$ 2,504,888</u>	<u>\$ 6,820,879</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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,154,980	\$ 2,395,657
Contributions receivables for operations	694,576	136,346
Government receivable	354,528	483,990
Miscellaneous receivables	48,463	14,686
Total financial assets available for general expenditures	<u>\$ 2,252,547</u>	<u>\$ 3,030,679</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, 2023 and 2022

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 \$90,511 and \$109,131 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022, amounts maintained in excess of FDIC insured limits or in non-FDIC insured money market fund accounts approximated \$293,000 and \$1,542,000, 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 was 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.

The Organization has elected to treat the PPP loan as debt and 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. 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.

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, 2023 and 2022

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, 2023 and 2022, the outstanding balance of the note payable balance was \$833,178 and \$1,155,955, respectively. Total interest expense on the note payable amounted to \$38,380 and \$74,097 for the year ended June 30, 2023 and 2022, respectively.

Future fiscal year note payable obligations as of June 30, 2023, are as follows:

	<u>Principal</u>
2024	\$ 335,227
2025	348,264
2026	<u>149,687</u>
Total	<u>\$ 833,178</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, 2023 and 2022. 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 5, 2023, the date that the financial statements were available to be issued for events requiring recording or disclosure in the Organization's consolidated financial statements.

The Night Ministry and Subsidiary

Consolidating Statement of Financial Position
Year Ended June 30, 2023

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Assets				
Cash and cash equivalents	\$ 378,047	\$ 776,933	\$ -	\$ 1,154,980
Contributions receivable	1,061,459	-	-	1,061,459
Government receivables	354,528	-	-	354,528
Miscellaneous receivables	53,003	-	(4,540)	48,463
Prepaid expenses	333,953	-	-	333,953
Property and equipment, net of accumulated depreciation and amortization	4,385,892	2,270,318	-	6,656,210
Right of use assets	4,246,660	-	-	4,246,660
Assets invested for endowment purposes	6,820,879	-	-	6,820,879
Total assets	\$ 17,634,421	\$ 3,047,251	\$ (4,540)	\$ 20,677,132
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 535,285	\$ 22,255	\$ (4,540)	\$ 553,000
Notes payable	833,178	-	-	833,178
Lease liability	5,040,077	-	-	5,040,077
Total liabilities	6,408,540	22,255	(4,540)	6,426,255
Net Assets				
Without donor restrictions:				
Undesignated for general activities	(963,632)	754,678	-	(208,954)
Designated by the Boards of Directors	4,315,991	-	-	4,315,991
Invested in building and equipment	4,385,892	2,270,318	-	6,656,210
Total net assets without donor restrictions	7,738,251	3,024,996	-	10,763,247
With donor restrictions:				
Purpose	1,401,642	-	-	1,401,642
Future periods	420,000	-	-	420,000
In perpetuity	1,665,988	-	-	1,665,988
Total net assets with donor restrictions	3,487,630	-	-	3,487,630
Total net assets	11,225,881	3,024,996	-	14,250,877
Total liabilities and net assets	\$ 17,634,421	\$ 3,047,251	\$ (4,540)	\$ 20,677,132

The Night Ministry and Subsidiary

Consolidating 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 Subsidiary

Consolidating Statement of Activities

Year Ended June 30, 2023

	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	\$ 5,821,988	\$ 2,401,752	\$ 8,223,740	\$ -	\$ (548,284)	\$ 7,675,456
Grants from government agencies	2,781,450	-	2,781,450	-	-	2,781,450
In-kind revenue	734,192	-	734,192	-	-	734,192
Special events (net of direct costs of \$104,551)	232,206	-	232,206	-	-	232,206
Other income:						
Investment income	506,759	307,411	814,170	2,092	-	816,262
Rental income	-	-	-	313,099	(313,099)	-
Gains on disposal of assets	-	-	-	653,944	-	653,944
Miscellaneous income	8,593	-	8,593	725	-	9,318
Net assets released from restrictions:						
Satisfaction of time restrictions	660,000	(660,000)	-	-	-	-
Satisfaction of purpose restrictions	2,456,080	(2,456,080)	-	-	-	-
Total revenues	13,201,268	(406,917)	12,794,351	969,860	(861,383)	12,902,828
Expenses						
Program services:						
Outreach and health ministry	2,585,022	-	2,585,022	-	-	2,585,022
Shelter programs	6,440,710	-	6,440,710	230,855	(313,099)	6,358,466
Total program services expense	9,025,732	-	9,025,732	230,855	(313,099)	8,943,488
Management and general	2,007,483	-	2,007,483	659,360	(548,284)	2,118,559
Fundraising	1,032,874	-	1,032,874	-	-	1,032,874
Total expense	12,066,089	-	12,066,089	890,215	(861,383)	12,094,921
Change in net assets	1,135,179	(406,917)	728,262	79,645	-	807,907
Net Assets, Beginning	6,603,072	3,894,547	10,497,619	2,945,351	-	13,442,970
Net Assets, Ending	\$ 7,738,251	\$ 3,487,630	\$ 11,225,881	\$ 3,024,996	\$ -	\$ 14,250,877

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 Functional Expenses
Year Ended June 30, 2023

	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	\$ 1,210,799	\$ 3,246,940	\$ 4,457,739	\$ 664,216	\$ 713,070	\$ 5,835,025	\$ -	\$ -	\$ -	\$ 145,093	\$ 5,980,118
Employee benefits and payroll taxes	578,809	857,594	1,436,403	258,316	119,919	1,814,638	-	-	-	-	1,814,638
Total salaries and related expense	1,789,608	4,104,534	5,894,142	922,532	832,989	7,649,663	-	-	-	145,093	7,794,756
Bank charges	-	-	-	40,073	-	40,073	-	195	195	-	40,268
Consulting fees	-	56,265	56,265	7,941	3,985	68,191	-	-	-	-	68,191
Depreciation and amortization	48,881	140,314	189,195	288,871	6,015	484,081	110,190	-	110,190	-	594,271
Dues, books and subscriptions	9,675	12,087	21,762	8,673	21,969	52,404	-	-	-	-	52,404
Equipment leasing	-	14,100	14,100	79,601	-	93,701	57	-	57	-	93,758
Grants	-	-	-	-	-	-	-	548,284	548,284	(548,284)	-
In-kind expense	275,000	459,314	734,314	-	-	734,314	-	-	-	-	734,314
Insurance	31,808	84,025	115,833	35,201	9,790	160,824	-	10,487	10,487	-	171,311
Kitchen supplies	9,749	181,453	191,202	30,250	2	221,454	1,840	-	1,840	-	223,294
Miscellaneous expense	370	955	1,325	6,326	509	8,160	-	-	-	-	8,160
Occupancy	143,352	747,095	890,447	224,322	61,960	1,176,729	21,477	-	21,477	(313,099)	885,107
Office supplies	2,185	45,861	48,046	33,447	118	81,611	-	-	-	-	81,611
Postage and shipping	33	43	76	1,254	22,621	23,951	-	-	-	-	23,951
Printing	943	291	1,234	(5,572)	92,040	87,702	-	-	-	-	87,702
Professional fees	71	5,265	5,336	202,634	(8,025)	199,945	-	100,394	100,394	(91,787)	208,552
Program and medical supplies expense	74,925	20,501	95,426	507	133	96,066	-	-	-	-	96,066
Public relations	(273)	1,720	1,447	69,131	18,511	89,089	-	-	-	-	89,089
Repairs and maintenance	67,357	87,516	154,873	52,280	56,813	263,966	97,291	-	97,291	(53,306)	307,951
Specific assistance	21,294	157,624	178,918	-	-	178,918	-	-	-	-	178,918
Staff/volunteer street expenses	5,303	20,942	26,245	72,745	3,572	102,562	-	-	-	-	102,562
Telephone	10,297	42,960	53,257	64,570	1,858	119,685	-	-	-	-	119,685
Interest expense	-	-	-	38,380	-	38,380	-	-	-	-	38,380
Travel	6,973	13,206	20,179	8,254	481	28,914	-	-	-	-	28,914
Vehicle expenses	45,691	11,922	57,613	8,055	38	65,706	-	-	-	-	65,706
Total functional expenses before allocation of management and general and fund-raising expenses	2,543,242	6,207,993	8,751,235	2,189,475	1,125,379	12,066,089	230,855	659,360	890,215	(861,383)	12,094,921
Allocation of management and general and fund-raising expenses	41,780	232,717	274,497	(181,992)	(92,505)	-	-	-	-	-	-
Total functional expenses	\$ 2,585,022	\$ 6,440,710	\$ 9,025,732	\$ 2,007,483	\$ 1,032,874	\$ 12,066,089	\$ 230,855	\$ 659,360	\$ 890,215	\$ (861,383)	\$ 12,094,921

The Night Ministry and Subsidiary

Consolidating Statement of Functional Expenses
Year Ended June 30, 2022

	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	\$ 1,206,619	\$ 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 Cash Flows
Year Ended June 30, 2023

	The Night Ministry	TNM Asset Management Organization, NFP	Eliminations	Consolidated Total
Cash Flows From Operating Activities				
Change in net assets	\$ 728,262	\$ 79,645	\$ -	\$ 807,907
Adjustments to reconcile change in net assets to net cash flows from operating activities:				
Depreciation and amortization	484,081	110,190	-	594,271
Noncash lease expense	119,836	-	-	119,836
Amortization of lease incentives	(62,659)	-	-	(62,659)
Gain on investments	(540,755)	-	-	(540,755)
Gain on disposal of assets	-	(653,944)	-	(653,944)
Changes in:				
Receivables	(656,776)	-	4,540	(652,236)
Prepaid expenses	(131,062)	-	-	(131,062)
Accounts payable and accrued expenses	(31,546)	21,174	(4,540)	(14,912)
Net cash flows from operating activities	<u>(90,619)</u>	<u>(442,935)</u>	<u>-</u>	<u>(533,554)</u>
Cash Flows From Investing Activities				
Purchase of investments	(526,663)	-	-	(526,663)
Proceeds from the sale of property, plan and equipment	-	823,284	-	823,284
Purchases of property, plant and equipment	<u>(384,404)</u>	<u>(358,019)</u>	<u>-</u>	<u>(742,423)</u>
Net cash flows from investing activities	<u>(911,067)</u>	<u>465,265</u>	<u>-</u>	<u>(445,802)</u>
Cash Flows From Financing Activities				
Principal repayments on note payable	(322,777)	-	-	(322,777)
Contributions received restricted to the capital campaign	<u>61,456</u>	<u>-</u>	<u>-</u>	<u>61,456</u>
Net cash flows from financing activities	<u>(261,321)</u>	<u>-</u>	<u>-</u>	<u>(261,321)</u>
Net change in cash and cash equivalents	(1,263,007)	22,330	-	(1,240,677)
Cash and Cash Equivalents, Beginning	<u>1,641,054</u>	<u>754,603</u>	<u>-</u>	<u>2,395,657</u>
Cash and Cash Equivalents, Ending	<u>\$ 378,047</u>	<u>\$ 776,933</u>	<u>\$ -</u>	<u>\$ 1,154,980</u>
Supplemental Cash Flow Disclosure				
Cash paid for interest	<u>\$ 38,380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,380</u>

The Night Ministry and Subsidiary

Consolidating 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 net 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>