

St. John the Evangelist Homeless Shelter, Inc.

Green Bay, Wisconsin

Financial Statements

Years Ended June 30, 2014 and 2013

St. John the Evangelist Homeless Shelter, Inc.

Financial Statements

Years Ended June 30, 2014 and 2013

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Independent Auditor's Report

Board of Directors
St. John the Evangelist Homeless Shelter, Inc.
Green Bay, Wisconsin

We have audited the accompanying financial statements of St. John the Evangelist Homeless Shelter, Inc., which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. John the Evangelist Homeless Shelter, Inc. as of June 30, 2014 and 2013, 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.

Wipfli LLP

Wipfli LLP

August 25, 2014
Green Bay, Wisconsin

St. John the Evangelist Homeless Shelter, Inc.

Statements of Financial Position

June 30, 2014 and 2013

<i>Assets</i>	2014	2013
Current assets:		
Cash and cash equivalents	\$ 385,789	\$ 356,328
Accounts receivable	17,350	13,165
Prepaid expenses and other	4,865	689
Total current assets	408,004	370,182
Property and equipment - Net	133,163	78,154
TOTAL ASSETS	\$ 541,167	\$ 448,336
<i>Liabilities and Net Assets</i>		
Liabilities:		
Accounts payable	\$ 3,198	\$ 2,705
Accrued contracted payroll and related benefits	6,346	3,656
Total liabilities	9,544	6,361
Net assets:		
Unrestricted	516,134	395,761
Temporarily restricted	15,489	46,214
Total net assets	531,623	441,975
TOTAL LIABILITIES AND NET ASSETS	\$ 541,167	\$ 448,336

See accompanying notes to financial statements.

St. John the Evangelist Homeless Shelter, Inc.

Statements of Activities

Years Ended June 30, 2014 and 2013

	2014		
	Unrestricted	Temporarily Restricted	Total
Revenue:			
Grants	\$ 96,442	\$ 0	\$ 96,442
Contributions	534,145	13,990	548,135
Other income	1,976	0	1,976
Net assets released from restrictions	44,715	(44,715)	0
Total revenue	677,278	(30,725)	646,553
Expenses:			
Programs and shelter	534,790	0	534,790
Management and general	22,115	0	22,115
Total expenses	556,905	0	556,905
Change in net assets	120,373	(30,725)	89,648
Net assets at beginning	395,761	46,214	441,975
Net assets at end	\$ 516,134	\$ 15,489	\$ 531,623

2013		
Unrestricted	Temporarily Restricted	Total
\$ 51,890	\$ 0	\$ 51,890
375,350	67,101	442,451
357	0	357
42,622	(42,622)	0
470,219	24,479	494,698
423,766	0	423,766
19,783	0	19,783
443,549	0	443,549
26,670	24,479	51,149
369,091	21,735	390,826
\$ 395,761	\$ 46,214	\$ 441,975

See accompanying notes to financial statements.

St. John the Evangelist Homeless Shelter, Inc.

Statements of Cash Flows

Years Ended June 30, 2014 and 2013

	2014	2013
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 89,648	\$ 51,149
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,278	6,356
Changes in operating assets and liabilities:		
Prepaid expenses and other	(4,176)	(689)
Accounts receivable	(4,185)	(12,406)
Accounts payable	493	1,349
Accrued contracted payroll and related benefits	2,690	1,806
Total adjustments	4,100	(3,584)
Net cash provided by operating activities	93,748	47,565
Net cash used in investing activities - Capital expenditures	(64,287)	(62,769)
Net increase (decrease) in cash and cash equivalents	29,461	(15,204)
Cash and cash equivalents at beginning	356,328	371,532
Cash and cash equivalents at end	\$ 385,789	\$ 356,328

St. John the Evangelist Homeless Shelter, Inc.

Statements of Functional Expenses

Years Ended June 30, 2014 and 2013

	2014		
	Programs and Shelter	Management and General	Total
Salaries and related expense:			
Salaries	\$ 283,733	\$ 4,635	\$ 288,368
Health and retirement benefits	32,647	1,219	33,866
Payroll taxes	20,699	337	21,036
Total salaries and related expense	337,079	6,191	343,270
Purchased services	31,517	15,924	47,441
Staff development, training, and related services	5,045	0	5,045
Facilities, buildings, and grounds	52,242	0	52,242
Office	7,374	0	7,374
Meetings, workshops, and hospitality	326	0	326
Direct assistance to individuals	90,116	0	90,116
Depreciation	9,278	0	9,278
Other	1,813	0	1,813
Total expenses	\$ 534,790	\$ 22,115	\$ 556,905

2013		
Programs and Shelter	Management and General	Total
\$ 254,193	\$ 4,507	\$ 258,700
35,537	1,240	36,777
18,422	284	18,706
308,152	6,031	314,183
23,969	13,752	37,721
1,125	0	1,125
39,983	0	39,983
7,131	0	7,131
144	0	144
35,780	0	35,780
6,356	0	6,356
1,126	0	1,126
\$ 423,766	\$ 19,783	\$ 443,549

St. John the Evangelist Homeless Shelter, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies**

Nature of Activities

St. John the Evangelist Homeless Shelter, Inc. (the "Shelter") is a nonprofit corporation which operates a homeless shelter. The Shelter is designed to meet the charitable and social welfare needs of homeless people in accordance with and in support of the Catholic Church within the Diocese of Green Bay.

Financial Statement Presentation

The Shelter follows accounting standards set by the Financial Accounting Standards Board Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities in the preparation of financial statements in conformity with GAAP.

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in conformity with GAAP requires management to make estimates and assumptions that directly 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 revenue and expenses during the reporting period. Actual results may differ from these estimates.

Cash and Cash Equivalents

The Shelter considers all money market accounts to be cash equivalents.

St. John the Evangelist Homeless Shelter, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Property, Equipment, and Depreciation

Acquisitions of real property in excess of \$5,000 and acquisitions of computer- and non-computer-related equipment and furnishings in excess of \$1,000 are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased equipment is carried at cost and donated equipment is carried at the approximate fair value at the date of donation. Leasehold improvements are amortized over the lesser of the term of the related lease or the estimated useful life. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Classification of Net Assets

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Shelter's net assets and changes therein are classified and reported as follows:

- *Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met during the year.
- *Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Shelter and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.
- *Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Shelter. Generally, the donors of these assets permit the Shelter to use all or part of the income earned on any related investments for general or specific purposes. The Shelter has no permanently restricted net assets.

St. John the Evangelist Homeless Shelter, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Shelter are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is deemed unconditional. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Tax Status

The Shelter is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Shelter is also exempt from state income taxes on related income. The Shelter is considered an integrated auxiliary of a church according to Internal Revenue Service regulations. Therefore, no tax return is filed, and the Shelter is not subject to assessing potential uncertain tax positions.

Note 2 **Concentration of Credit Risk**

The Shelter maintains cash balances at several financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times throughout the year, bank balances may exceed FDIC-insured limits. Management believes these financial institutions have strong credit ratings, and credit risk related to these deposits is minimal.

St. John the Evangelist Homeless Shelter, Inc.

Notes to Financial Statements

Note 3 Property and Equipment

A summary of property and equipment included the following at June 30:

	2014	2013
Leasehold improvements	\$ 131,316	\$ 73,921
Equipment	23,648	16,757
Total property and equipment	154,964	90,678
Less - Accumulated depreciation	21,801	12,524
Property and equipment - Net	\$ 133,163	\$ 78,154

Note 4 Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30:

	2014	2013
Shelter activity	\$ 2,550	\$ 1,480
Boots - Bus pass	5,375	6,784
Bus passes/tokens	374	70
Special gifts	6,150	4,180
Military veteran memorial	1,040	1,040
Shelter renovation	0	32,660
Total temporarily restricted net assets	\$ 15,489	\$ 46,214

St. John the Evangelist Homeless Shelter, Inc.

Notes to Financial Statements

Note 5 Retirement Plan

The Shelter participates in a retirement plan covering all eligible contracted employees through the Catholic Diocese of Green Bay Employees' Retirement Plan. Employees must be at least 18 years of age and are deemed to be eligible employees when they meet the requirements as defined in the Catholic Diocese of Green Bay Employee Handbook. Employer contributions are fully vested after six months of consecutive service as an eligible employee. Employer contributions are at the discretion of the Board of Directors and totaled \$7,193 and \$6,520 for the years ended June 30, 2014 and 2013, respectively.

Note 6 Fair Value Measurements

The Shelter measures fair value of its financial instruments using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Fair value measurement is based on quoted prices for identical assets or liabilities in active markets.
- Level 2 Fair value measurement is based on (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, or (3) valuation models and methodologies for which all significant assumptions are or can be corroborated by observable market data.
- Level 3 Fair value measurement is based on valuation models and methodologies that incorporate at least one significant assumption that cannot be corroborated by observable market data. Level 3 measurements reflect the Shelter's estimates about assumptions market participants would use in measuring fair value of the asset or liability.

Some assets and liabilities are measured at fair value on a recurring basis under GAAP. At June 30, 2014 and 2013, the Shelter does not have any liabilities that are measured at fair value.

St. John the Evangelist Homeless Shelter, Inc.

Notes to Financial Statements

Note 6 Fair Value Measurements (Continued)

The Shelter's money market accounts are measured at fair value on a recurring basis. They are classified as a Level 2 investment within the fair value hierarchy. Money market funds are valued using \$1 as the net asset value.

Information regarding assets measured at fair value on a recurring basis as of June 30 is as follows:

	2014			Total Assets at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Money market funds	\$ 0	\$ 344,097	\$ 0	\$ 344,097

	2013			Total Assets at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Money market funds	\$ 0	\$ 289,056	\$ 0	\$ 289,056

Note 7 Subsequent Events

Subsequent events were evaluated through August 25, 2014, which is the date the financial statements were available to be issued.

Subsequent to June 30, 2014, the Shelter purchased a building located in Green Bay, Wisconsin, for the purpose of establishing a daytime resource center for the use and benefit of the homeless population it will serve. The purchase price was approximately \$290,000 and was funded through gifts and other financial resources. No debt was incurred as a result of this purchase. The daytime resource center is scheduled to open in October 2014.