

**ST. JOHN THE EVANGELIST  
HOMELESS SHELTER, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2018 AND 2017**

**ST. JOHN THE EVANGELIST HOMELESS SHELTER, INC.  
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## INDEPENDENT AUDITORS' 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. (a Wisconsin corporation), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows 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 of America; 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.

### ***Auditors' 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 of America. 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 auditors' 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.

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

***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, 2018 and 2017, 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Oshkosh, Wisconsin  
September 24, 2018

**ST. JOHN THE EVANGELIST HOMELESS SHELTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 215,116	\$ 51,437
Grants Receivable	37,354	1,790
Prepaid Expenses	1,236	11,081
Property and Equipment, Net	371,166	390,409
Total Assets	\$ 624,872	\$ 454,717
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 14,722	\$ 12,220
Accrued Expenses	39,064	24,011
Total Liabilities	53,786	36,231
<b>NET ASSETS</b>		
Unrestricted	541,023	391,899
Temporarily Restricted	30,063	26,587
Total Net Assets	571,086	418,486
Total Liabilities and Net Assets	\$ 624,872	\$ 454,717

See accompanying Notes to Financial Statements.

**ST. JOHN THE EVANGELIST HOMELESS SHELTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Contributions	\$ 1,069,464	\$ 9,612	\$ 1,079,076
Grants	86,968	-	86,968
In-Kind Donations	304,270	-	304,270
Fundraising, Net of Expenses of \$44,666	160,085	-	160,085
Other	1,928	-	1,928
Net Assets Released from Restrictions	6,136	(6,136)	-
<b>Total Revenues and Support</b>	<u>1,628,851</u>	<u>3,476</u>	<u>1,632,327</u>
 <b>EXPENSES</b>			
Salaries and Wages	662,806	-	662,806
Personnel Benefits	205,433	-	205,433
Purchased Services	78,178	-	78,178
Facilities, Buildings, and Grounds	88,575	-	88,575
In-Kind Facilities Rent	61,500	-	61,500
Direct Assistance	70,688	-	70,688
In-Kind Direct Assistance	242,770	-	242,770
Office and Other	69,777	-	69,777
<b>Total Expenses</b>	<u>1,479,727</u>	<u>-</u>	<u>1,479,727</u>
 <b>CHANGE IN NET ASSETS</b>	 149,124	 3,476	 152,600
Net Assets - Beginning of Year	<u>391,899</u>	<u>26,587</u>	<u>418,486</u>
 <b>NET ASSETS - END OF YEAR</b>	 <u>\$ 541,023</u>	 <u>\$ 30,063</u>	 <u>\$ 571,086</u>

See accompanying Notes to Financial Statements.

**ST. JOHN THE EVANGELIST HOMELESS SHELTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND SUPPORT</b>			
Contributions	\$ 806,070	\$ 11,856	\$ 817,926
Grants	115,053	-	115,053
In-Kind Donations	296,720	-	296,720
Fundraising, Net of Expenses of \$12,567	88,738	-	88,738
Other	3,291	-	3,291
Net Assets Released from Restrictions	16,133	(16,133)	-
Total Revenues and Support	1,326,005	(4,277)	1,321,728
 <b>EXPENSES</b>			
Salaries and Wages	566,383	-	566,383
Personnel Benefits	158,042	-	158,042
Purchased Services	76,342	-	76,342
Facilities, Buildings, and Grounds	83,487	-	83,487
In-Kind Facilities Rent	61,500	-	61,500
Direct Assistance	88,482	-	88,482
In-Kind Direct Assistance	235,220	-	235,220
Office and Other	53,003	-	53,003
Total Expenses	1,322,459	-	1,322,459
 <b>CHANGE IN NET ASSETS</b>	3,546	(4,277)	(731)
 Net Assets - Beginning of Year	388,353	30,864	419,217
 <b>NET ASSETS - END OF YEAR</b>	\$ 391,899	\$ 26,587	\$ 418,486

See accompanying Notes to Financial Statements.

**ST. JOHN THE EVANGELIST HOMELESS SHELTER, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributors	\$ 1,337,159	\$ 1,082,014
Cash Paid to and On Behalf of Employees	(853,186)	(720,555)
Cash Paid to Suppliers	(249,606)	(218,782)
Cash Paid to Donees	(70,688)	(88,482)
Net Cash Flows from Operating Activities	163,679	54,195
 <b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Cash Paid for Purchases of Property and Equipment	-	(28,704)
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	163,679	25,491
 Cash and Cash Equivalents - Beginning of Year	51,437	25,946
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 215,116	\$ 51,437
 <b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 152,600	\$ (731)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	19,243	13,292
Changes in Certain Assets and Liabilities:		
Grants Receivable	(35,564)	44,439
Prepaid Expenses	9,845	(11,081)
Accounts Payable	2,502	4,406
Accrued Expenses	15,053	3,870
Net Cash Flows from Operating Activities	\$ 163,679	\$ 54,195

See accompanying Notes to Financial Statements.



**ST. JOHN THE EVANGELIST HOMELESS SHELTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 NATURE OF OPERATIONS**

St. John the Evangelist Homeless Shelter, Inc. (the Shelter) is a nonprofit corporation that 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. The Shelter also operates the Micah Center, which is a year-round, daytime resource center for adult men and women experiencing homelessness or at-risk for homelessness in the Green Bay community.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**Cash and Cash Equivalents**

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

**Property and Equipment**

All acquisitions of property in excess of \$5,000 and equipment and furnishings in excess of \$1,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. 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.

Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Building and Improvements	20 to 40 Years
Equipment	3 to 10 Years

**Impairment of Long-Lived Assets**

The Shelter reviews long-lived assets, including property and equipment, 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.

**ST. JOHN THE EVANGELIST HOMELESS SHELTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets**

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

**Unrestricted**

Unrestricted net assets include all net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted**

Temporarily restricted net assets include net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Shelter pursuant to those stipulations.

**Permanently Restricted**

Permanently restricted net assets include net assets subject to donor-imposed stipulations that they be maintained permanently by the Shelter. The Shelter does not have any permanently restricted net assets.

**Contribution Recognition**

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions that are unrestricted by the donor are reported as increases in unrestricted net assets. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Shelter.

**In-Kind Contributions**

In-kind contributions for the years ended June 30, 2018 and 2017 were \$304,270 and \$296,720, respectively, and included lease space valued at \$61,500 and \$61,500, respectively, and food, clothing, toiletries, and other miscellaneous items valued at \$242,770 and \$235,220, respectively.

**Tax-Exempt 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.

**ST. JOHN THE EVANGELIST HOMELESS SHELTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these financial statements, the Shelter has evaluated events and transactions for potential recognition or disclosure through September 24, 2018, the date the financial statements were available to be issued.

**NOTE 3 NEW ACCOUNTING GUIDANCE**

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which is expected to impact the information presented in financial statements and notes about a nonprofit entity's liquidity, financial performance, and cash flows. The guidance is required to be applied by the Shelter for the year ended June 30, 2019; however, early application is permitted. The Shelter is currently evaluating the impact this guidance will have on its financial statements.

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30, 2018:

	2018	2017
Land	\$ 95,820	\$ 95,820
Building and Improvements	281,037	281,037
Equipment	58,614	58,614
Total - At Cost	435,471	435,471
Less: Accumulated Depreciation	(64,305)	(45,062)
Net Property and Equipment	\$ 371,166	\$ 390,409

Depreciation expense of \$19,243 and \$13,292 was recorded for the years ended June 30, 2018 and 2017, respectively.

**NOTE 5 LINE OF CREDIT**

The Shelter has a \$300,000 unsecured line of credit with Associated Bank, N.A. that expires December 31, 2018. Amounts drawn against the line of credit bear interest at the current LIBOR rate plus 1.95% (effectively 4.04% and 3.17% at June 30, 2018 and 2017, respectively). There was no balance outstanding on the line of credit at June 30, 2018 and 2017.

**ST. JOHN THE EVANGELIST HOMELESS SHELTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 6 FUNCTIONAL CLASSIFICATION OF EXPENSES**

The costs of providing program and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefitted.

Expenses by function for the years ended June 30, 2018 and 2017, were as follows:

	<u>2018</u>	<u>2017</u>
Program Services	\$ 1,424,419	\$ 1,268,874
Management and General	55,308	53,585
Total	<u>\$ 1,479,727</u>	<u>\$ 1,322,459</u>

**NOTE 7 RETIREMENT PLAN**

The Shelter participates in the Catholic Diocese of Green Bay Employees' Retirement Plan. The defined contribution retirement plan covers most lay employees. The vesting period of the plan is six months. Employer contributions are at the discretion of the board of directors and totaled \$41,075 and \$33,103 for the years ended June 30, 2018 and 2017, respectively.

**NOTE 8 INTERDIOCESAN TRANSACTIONS**

The Shelter was a party to various transactions with other diocesan corporations during the years ended June 30, 2018 and 2017. Total revenues received from other diocesan corporations were \$42,219 and \$31,953 for the years ended June 30, 2018 and 2017, respectively, and relate to donations. Total expenses paid to other diocesan corporations were \$118,609 and \$97,777 for the years ended June 30, 2018 and 2017, respectively, and relate to administrative and support services.

**NOTE 9 RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets were available for the following purposes as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Shelter Activity	\$ 3,138	\$ 2,138
Boots	12,727	10,747
Bus Passes/Tokens	1,040	99
Special Gifts	10,043	10,488
Military Veteran Memorial	2,690	2,690
Clothing	425	425
Total Temporarily Restricted Net Assets	<u>\$ 30,063</u>	<u>\$ 26,587</u>

**ST. JOHN THE EVANGELIST HOMELESS SHELTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**NOTE 10 OPERATING LEASES**

The Shelter leases a portion of its facilities free-of-charge under the terms of a cancelable operating lease that expires on June 30, 2033.

Total rent expense recognized for the years ended June 30, 2018 and 2017 was \$61,500.