

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

ANNUAL AUDIT

For the Years Ended December 31, 2014 and 2013

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Table of Contents

For the Years Ended December 31, 2014 and 2013

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities - (Current Year)	4
Statement of Activities - (Prior Year)	5
Statement of Functional Expenses - (Current Year)	6
Statement of Functional Expenses - (Prior Year)	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 15



Thompson & Lengacher

Certified Public Accountants

9A Professional Park Dr., Maryville, IL 62062
618.288.9877 Fax: 618.288.1110
www.mtco-cpa.com

Myron M. Thompson, CPA
Michael W. Lengacher, CPA
Jane A. Todd, CPA

May 8, 2015

To the Board of Directors
St. John's Healing Community Board
D/B/A St. John's Community Care
Collinsville, Illinois

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of St. John's Healing Community Board D/B/A St. John's Community Care (a nonprofit organization), which comprise the statements of financial positions as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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's Healing Community Board D/B/A St. John's Community Care as of December 31, 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 of America.

Thompson & Lengacher Co., P.C.

A handwritten signature in cursive script that reads "Thompson & Lengacher Co., P.C." is written over the typed name.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Statement of Financial Position

December 31, 2014 and 2013

ASSETS

	2014	2013
Current Assets:		
Cash and Cash Equivalents	\$96,358	\$45,994
Accounts Receivable	185,215	153,587
Prepaid Expenses	17,381	17,862
Total Current Assets	298,954	217,443
Fixed Assets:		
Office Equipment	90,090	77,064
Furniture and Fixtures	51,861	47,270
Total Fixed Assets	141,951	124,334
Less: Accumulated Depreciation	(95,024)	(84,948)
Net Fixed Assets	46,927	39,386
TOTAL ASSETS	345,881	256,829

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable	16,125	7,356
Accrued Payroll Liabilities	48,465	36,722
Deferred Revenue	6,412	7,292
Total Current Liabilities	71,002	51,370
Net Assets		
Unrestricted	234,103	200,813
Temporarily Restricted	40,776	4,646
TOTAL NET ASSETS	274,879	205,459
TOTAL LIABILITIES AND NET ASSETS	\$345,881	\$256,829

The accompanying notes are an integral part of these financial statements.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Statement of Activities

For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:			
Program Service Fees:			
Private Pay	\$801,884	\$0	\$801,884
Government Contract Revenue	330,519		330,519
Support:			
Donations	46,118	3,750	49,868
In-Kind Donations	55,800		55,800
Revenue:			
Grants and Contracts			
United Way	22,000		22,000
Government Grants		37,511	37,511
Other	10,000	142,750	152,750
Miscellaneous Receipts	2,906		2,906
Interest Income	144		144
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	147,881	(147,881)	0
TOTAL SUPPORT AND REVENUE	1,417,252	36,130	1,453,382
EXPENSES:			
Program Services:			
Adult Daycare	597,471		597,471
In-Home Care	559,832		559,832
Supporting Services:			
Fundraising	76,569		76,569
Management and General	150,090		150,090
TOTAL EXPENSES	1,383,962	0	1,383,962
CHANGE IN NET ASSETS	33,290	36,130	69,420
Net Assets - Beginning of Year	200,813	4,646	205,459
Net Assets - End of Year	\$234,103	\$40,776	\$274,879

The accompanying notes are an integral part of these financial statements.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Statement of Activities

For the Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:			
Program Service Fees:			
Private Pay	\$669,126	\$0	\$669,126
Government Contract Revenue	294,681		294,681
Support:			
Donations	44,997	1,733	46,730
In-Kind Donations	56,850		56,850
Revenue:			
Grants and Contracts			
United Way	14,121		14,121
Government Grants		24,011	24,011
Other	1,215	43,700	44,915
Special Events	8,968		8,968
Miscellaneous Receipts	982		982
Interest Income	751		751
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	123,657	(123,657)	0
TOTAL SUPPORT AND REVENUE	1,215,348	(54,213)	1,161,135
EXPENSES:			
Program Services:			
Adult Daycare	547,040		547,040
In-Home Care	544,927		544,927
Supporting Services:			
Fundraising	75,696		75,696
Management and General	137,164		137,164
TOTAL EXPENSES	1,304,827	0	1,304,827
CHANGE IN NET ASSETS	(89,479)	(54,213)	(143,692)
Net Assets - Beginning of Year	290,292	58,859	349,151
Net Assets - End of Year	\$200,813	\$4,646	\$205,459

The accompanying notes are an integral part of these financial statements.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

**Statement of Functional Expenses
For the Year Ended December 31, 2014**

	<u>Program Services</u>			<u>Fundraising</u>	<u>Management and General</u>	
	<u>Adult Daycare</u>	<u>In-Home Care</u>	<u>Total</u>		<u>General</u>	<u>Total</u>
Advertising & Marketing	\$1,347	\$388	\$1,735	\$20,985	\$1,597	\$24,317
Depreciation	7,568		7,568		2,508	10,076
Employee Benefits	48,928	56,281	105,209	9,394	17,976	132,579
Equipment Maintenance and Repair	4,473	4,178	8,651		2,920	11,571
In-Kind Expenses	27,000	8,100	35,100		20,700	55,800
Insurance	3,958	11,873	15,831		1,750	17,581
Membership Dues	1,374		1,374		1,043	2,417
Miscellaneous	7,212	3,619	10,831	360	3,973	15,164
Occupancy	60,351	11,860	72,211		1,242	73,453
Office Supplies	1,941	1,454	3,395	60	1,643	5,098
Other Program Expenses	6,908	2,154	9,062	57	247	9,366
Postage	2,469	2,113	4,582	1,727	11	6,320
Printing and Publications	1,227	603	1,830	129	602	2,561
Professional Fees	18,111	4,272	22,383	1,284	14,965	38,632
Program Fee Scholarships	2,355	1,290	3,645			3,645
Program Meals	38,892		38,892			38,892
Program Supplies	9,929	315	10,244	6	167	10,417
Salaries and Wages	341,294	445,358	786,652	41,107	78,413	906,172
Special Events	43		43			43
Travel	12,091	5,974	18,065	1,460	333	19,858
TOTAL EXPENSES	<u>\$597,471</u>	<u>\$559,832</u>	<u>\$1,157,303</u>	<u>\$76,569</u>	<u>\$150,090</u>	<u>\$1,383,962</u>

The accompanying notes are an integral part of these financial statements.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Statement of Functional Expenses

For the Year Ended December 31, 2013

	<u>Program Services</u>			<u>Fundraising</u>	<u>Management and General</u>	
	<u>Adult Daycare</u>	<u>In-Home Care</u>	<u>Total</u>		<u>General</u>	<u>Total</u>
Advertising & Marketing	\$1,363	\$50	\$1,413	\$18,514	\$809	\$20,736
Depreciation	8,075		8,075		3,916	11,991
Employee Benefits	38,531	53,800	92,331	9,606	17,588	119,525
Equipment Maintenance and Repair	3,970	2,218	6,188		6,777	12,965
In-Kind Expenses	27,000	19,950	46,950		9,900	56,850
Insurance	5,700	16,251	21,951		1,805	23,756
Membership Dues	1,499	1,375	2,874	112	643	3,629
Miscellaneous	8,608	6,057	14,665	1,037	4,026	19,728
Occupancy	52,511	11,629	64,140	360	1,261	65,761
Office Supplies	3,163	2,019	5,182	1,089	1,660	7,931
Other Program Expenses	8,206	2,526	10,732		121	10,853
Postage	2,689	1,044	3,733	1,117	1,945	6,795
Printing and Publications	307	91	398	540	849	1,787
Professional Fees	16,071	3,651	19,722	95	7,800	27,617
Program Fee Scholarships	739	10,322	11,061			11,061
Program Meals	32,394		32,394			32,394
Program Supplies	9,721	846	10,567		287	10,854
Salaries and Wages	317,473	408,528	726,001	38,315	77,312	841,628
Special Events	170		170	3,415		3,585
Travel	8,850	4,570	13,420	1,496	465	15,381
TOTAL EXPENSES	<u>\$547,040</u>	<u>\$544,927</u>	<u>\$1,091,967</u>	<u>\$75,696</u>	<u>\$137,164</u>	<u>\$1,304,827</u>

The accompanying notes are an integral part of these financial statements.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Statement of Cash Flows

For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$69,420	(\$143,692)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	10,076	11,991
(Increase) Decrease in Accounts Receivable	(31,628)	11,023
Decrease in Prepaid Expenses	481	657
Increase (Decrease) in Accounts Payable	8,769	(1,805)
Increase in Accrued Payroll Liabilities	11,743	9,462
Increase (Decrease) in Deferred Revenue	(880)	1,807
Net Cash Provided by (Used in) Operating Activities	<u>67,981</u>	<u>(110,557)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	<u>(17,617)</u>	<u>(26,339)</u>
Net Cash Used in Investing Activities	<u>(17,617)</u>	<u>(26,339)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	50,364	(136,896)
Cash and Cash Equivalents - Beginning of Year	<u>45,994</u>	<u>182,890</u>
Cash and Cash Equivalents - End of Year	<u><u>\$96,358</u></u>	<u><u>\$45,994</u></u>

The accompanying notes are an integral part of these financial statements.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Notes to the Financial Statements

December 31, 2014 and 2013

NOTE 1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

St. John's Healing Community Board d/b/a St. John's Home & Community Care (the Organization) is a not-for-profit organization serving individuals challenged by aging or disabilities in Collinsville, Illinois and the surrounding communities. The organization operates both in-home and adult daycare programs. The Organization is an outreach ministry of St. John Evangelical United Church of Christ.

Basis of Presentation:

Contributions received are recorded as an increase in unrestricted, temporarily restricted, or permanently restricted support, depending on the existence of nature of any donor restrictions. Accordingly, net assets and the changes therein are classified and reported as follows:

Unrestricted Net Assets

Net assets and pledges not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets and pledges subject to donor-imposed stipulations that may be met by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets

Net assets and pledges subject to donor-imposed stipulations requiring that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for specific purposes. The Organization does not have permanently restricted net assets at December 31, 2014 and 2013.

The financial statements include only the operations of the Organization and do not include the operations of any other activities of St. John Evangelical United Church of Christ or Collinsville Area Ministerial Association.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Notes to the Financial Statements

December 31, 2014 and 2013

**NOTE 1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles of the United States of America.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Organization considers all investments with a initial maturities of three months or less to be cash equivalents.

Accounts Receivable:

Accounts receivable are stated at the amounts management expect to collect from balances outstanding at year-end. Based on management's assessment of the credit history with clients having outstanding balances and current relationships with them, it has concluded that realized losses on balances outstanding at year-end will be immaterial.

Fixed Assets:

Fixed assets are recorded at cost or at estimated fair value at the date of gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Organization follows the practice of capitalizing all expenditures for property, equipment and leasehold improvements in excess of \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Deferred Revenue:

Deferred revenue represents customer receipts related to services that will be provided in the future. The Organization offers discounted rates to those customers who pay in advance. The Organization recognizes revenue when the services are provided.

Advertising:

The Organization expenses advertising costs as they are incurred. Total advertising expenses were \$24,317 and \$20,736 for the years ended December 31, 2014 and 2013, respectively.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Notes to the Financial Statements

December 31, 2014 and 2013

**NOTE 1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Revenue Concentration

Program service fees derived from the State of Illinois were approximately 23% and 25% of total revenue and support for the years ended December 31, 2014 and 2013, respectively.

Contributions and Contributed Services:

Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received. 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 is satisfied, net assets are released and reported as an increase in unrestricted net assets.

The Organization records the value of donated services when there is an objective basis available to measure the donation's value. In addition, many individuals volunteer time and skills to perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as donated services. The Organization received more than 1000 volunteer hours this fiscal year.

Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are primarily allocated based on payroll allocations and management estimates.

Tax Status

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and, therefore, is exempt from both federal and state income taxes. Accordingly, no provision has been made for income taxes in the accompanying combined financial statements.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Notes to the Financial Statements

December 31, 2014 and 2013

**NOTE 1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Uncertain Tax Positions

The Organization's 2012 through 2014 tax years are open for examination by federal and state taxing authorities.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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 support, revenues and expenses during the reporting period including grant and contract revenues subject to review by applicable funding agencies. Accordingly, actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 8, 2015, the date the financial statements were available to be issued.

NOTE 2 - LINE OF CREDIT

The Organization has an available line of credit from St. John Evangelical United Church of Christ providing for maximum borrowings of \$50,000. There were no outstanding borrowing on the line of credit at December 31, 2014 and 2013. The line of credit has a maturity date of 90 days from the date that proceeds are received. The line of credit accrues interest on outstanding balances at a rate of prime plus 1/2%.

The Organization has entered into a line of credit agreement with First Collinsville Bank that provides for maximum borrowing of \$100,000. There were no outstanding borrowings on the line of credit at December 31, 2014 and 2013. The line of credit is due on demand, or if no demand, on November 17, 2015 with monthly interest payments. The line of credit accrues interest on outstanding balances at a rate of 5.5% and is personally guaranteed by members of the board of directors.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Notes to the Financial Statements

December 31, 2014 and 2013

NOTE 3 - FIXED ASSETS

Property and Equipment and related accumulated depreciation amounts at December 31 are as follows:

	<u>Costs</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	
			2014	2013
Office Equipment	\$90,090		\$90,090	\$77,064
Furniture and Fixtures	51,861		51,861	47,270
Less: Accumulated Depreciation		(\$95,024)	(95,024)	(84,948)
	<u>\$141,951</u>	<u>(\$95,024)</u>	<u>\$46,927</u>	<u>\$39,386</u>

Depreciation expense for 2014 and 2013 totaled \$10,076 and \$11,991, respectively.

NOTE 4 - IN-KIND DONATIONS

In kind donations consisted of the following:

	<u>2014</u>	<u>2013</u>
Rent	\$24,000	\$24,000
Volunteer Services	31,800	32,850
	<u>\$55,800</u>	<u>\$56,850</u>

NOTE 5 - LEASES

The Organization has entered into operating lease agreements for equipment and facility space. The Collinsville facility is leased from St. John Evangelical United Church of Christ, a related party, on a month-to-month basis. The Edwardsville facility is leased from RLP Development Company, Inc. Various equipment leases expire by 2019. Rent expense is \$85,789 and \$79,329 for the years ended December 31, 2014 and 2013, including in-kind facility rent expense of \$24,000 for each year.

The future minimum payments of the various equipment leases are as follows:

	<u>2014</u>	<u>2013</u>
2014		\$9,154
2015	\$4,747	1,829
2016	4,747	1,829
2017	4,661	1,743
2018	3,050	132
2019	2,432	
Total	<u>\$19,637</u>	<u>\$14,687</u>

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Notes to the Financial Statements

December 31, 2014 and 2013

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	Balance 12/31/13	Receipts	Released	Balance 12/31/14
Medical Equipment	\$3,872	\$0	(\$930)	\$2,942
Alarm System & Misc Assets	774	4,500	(5,274)	0
Alzheimers Support Group		2,000	(2,000)	0
Adult Day Staff & Subsidies		30,511	(30,511)	0
Art Therapy		10,000	(10,000)	0
New Site Assets & Operations		132,000	(94,166)	37,834
Total Temporarily Restricted Net Assets	\$4,646	\$179,011	(\$142,881)	\$40,776
	Balance 12/31/12	Receipts	Released	Balance 12/31/13
Medical Equipment	\$4,502	\$0	(\$630)	\$3,872
Alarm System, Signage, Storage	2,976		(2,202)	774
Alzheimers Support Group		1,500	(1,500)	0
Adult Day Staff & Subsidies		22,511	(22,511)	0
Art Therapy	4,000	3,000	(7,000)	0
New Site Assets & Operations	47,381	42,433	(89,814)	0
Total Temporarily Restricted Net Assets	\$58,859	\$69,444	(\$123,657)	\$4,646

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

**ST. JOHN'S HEALING COMMUNITY BOARD
D/B/A ST. JOHN'S COMMUNITY CARE**

Notes to the Financial Statements

December 31, 2014 and 2013

NOTE 7 - RELATED PARTY TRANSACTIONS

The Organization is combined with the Collinsville Area Ministerial Association - Faith in Action Program ("Faith in Action") for purposes of reporting to United Way of Greater St. Louis. The Organization receives the funds from United Way and distributes the applicable portion to the Faith in Action Program. The Organization received \$41,500 and \$29,978 from United Way for the years ended December 31, 2014 and 2013, respectively. Of the total funds received, \$19,500 and \$15,857 was distributed to the Faith in Action Program in 2014 and 2013, respectively.

The Organization shares employees with the Faith in Action Program, including the executive director and bookkeeper. Salaries of these employees are allocated between the organizations and are expensed accordingly. The Organization had a balance due from the Faith in Action Program of \$5,159 and \$3,891 at December 31, 2014 and 2013, respectively.