

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

ANNUAL AUDIT

For the Years Ended December 31, 2012 and 2011

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

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May 30, 2013

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 non-profit organization), which comprise the statements of financial positions as of December 31, 2012 and 2011, 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.

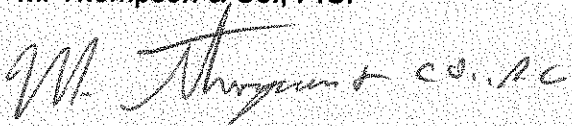
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2012 and 2011, 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.

M. Thompson & Co., P.C.

A handwritten signature in cursive script that reads "M. Thompson & Co., P.C." is written below the printed name.

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

Statement of Financial Position

December 31, 2012 and 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash and Cash Equivalents	\$182,890	\$128,602
Accounts Receivable	164,610	208,829
Prepaid Expenses	18,519	12,567
Total Current Assets	<u>366,019</u>	<u>349,998</u>
Fixed Assets:		
Office Equipment	63,711	62,321
Furniture and Fixtures	34,284	22,516
Total Fixed Assets	<u>97,995</u>	<u>84,837</u>
Less: Accumulated Depreciation	<u>(72,957)</u>	<u>(64,153)</u>
Net Fixed Assets	<u>25,038</u>	<u>20,684</u>
 TOTAL ASSETS	 <u>391,057</u>	 <u>370,682</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable	9,161	5,331
Accrued Payroll Liabilities	27,260	33,316
Deferred Revenue	5,485	5,726
Total Current Liabilities	<u>41,906</u>	<u>44,373</u>
Net Assets		
Unrestricted	290,292	303,746
Temporarily Restricted	58,859	22,563
 TOTAL NET ASSETS	 <u>349,151</u>	 <u>326,309</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$391,057</u>	 <u>\$370,682</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 Activities

For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Program Service Fees:			
Private Pay	\$605,571	\$0	\$605,571
Government Contract Revenue	331,434		331,434
Support:			
Donations	35,610	5,100	40,710
In-Kind Donations	64,072		64,072
Revenue:			
Grants and Contracts			
United Way	13,084	15,000	28,084
Government Grants		27,355	27,355
Other	5,000	35,000	40,000
Special Events	13,058		13,058
Miscellaneous Receipts	120		120
Interest Income	7,134		7,134
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	46,159	(46,159)	0
TOTAL SUPPORT AND REVENUE	1,121,242	36,296	1,157,538
EXPENSES:			
Program Services:			
Adult Daycare	398,150		398,150
In-Home Care	525,266		525,266
Supporting Services:			
Fundraising	79,844		79,844
Management and General	131,436		131,436
TOTAL EXPENSES	1,134,696	0	1,134,696
CHANGE IN NET ASSETS	(13,454)	36,296	22,842
Net Assets - Beginning of Year	303,746	22,563	326,309
Net Assets - End of Year	\$290,292	\$58,859	\$349,151

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, 2011

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:			
Program Service Fees:			
Private Pay	\$522,418	\$0	\$522,418
Government Contract Revenue	363,062		363,062
Support:			
Donations	25,090		25,090
In-Kind Donations	28,788		28,788
Revenue:			
Grants and Contracts			
United Way	13,401		13,401
Government Grants		40,859	40,859
Other	5,100	13,000	18,100
Special Events	15,056		15,056
Miscellaneous Receipts	962		962
Interest Income	7,603		7,603
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions	54,905	(54,905)	0
TOTAL SUPPORT AND REVENUE	1,036,385	(1,046)	1,035,339
EXPENSES:			
Program Services:			
Adult Daycare	365,345		365,345
In-Home Care	463,001		463,001
Supporting Services:			
Fundraising	44,836		44,836
Management and General	115,418		115,418
TOTAL EXPENSES	988,600	0	988,600
CHANGE IN NET ASSETS	47,785	(1,046)	46,739
Net Assets - Beginning of Year	255,961	23,609	279,570
Net Assets - End of Year	\$303,746	\$22,563	\$326,309

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, 2012**

	Program Services			Fundraising	Management and General	Total
	Adult Daycare	In-Home Care	Total			
Advertising & Marketing	\$779	\$182	\$961	\$19,351	\$379	\$20,691
Depreciation	3,522		3,522		5,282	8,804
Employee Benefits	43,371	50,277	93,648	11,286	17,320	122,254
Equipment Maintenance and Repair	1,802	1,220	3,022		9,074	12,096
In-Kind Expenses	22,000	22,000	44,000		10,872	54,872
Insurance	3,690	11,071	14,761		1,479	16,240
Membership Dues	769	1,535	2,304		350	2,654
Miscellaneous	2,050	2,358	4,408	279	4,780	9,467
Occupancy	11,795	11,377	23,172	150	1,426	24,748
Office Supplies	1,952	2,278	4,230	498	188	4,916
Other Program Expenses	5,461	2,989	8,450	130	600	9,180
Postage	1,589	3,081	4,670	97	172	4,939
Printing and Publications	337	377	714			714
Professional Fees	3,583	562	4,145		11,722	15,867
Program Fee Scholarships		7,387	7,387			7,387
Program Meals	27,604		27,604			27,604
Program Supplies	8,016		8,016	29	198	8,243
Salaries and Wages	251,183	404,529	655,712	42,101	67,155	764,968
Special Events			0	4,875		4,875
Travel	8,647	4,043	12,690	1,048	439	14,177
TOTAL EXPENSES	\$398,150	\$525,266	\$923,416	\$79,844	\$131,436	\$1,134,696

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, 2011**

	<u>Program Services</u>			<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
	<u>Adult Daycare</u>	<u>In-Home Care</u>	<u>Total</u>			
Advertising & Marketing	\$23	\$0	\$23	\$0	\$21,281	\$21,304
Depreciation	3,441		3,441		5,161	8,602
Employee Benefits	40,859	44,873	85,732	7,151	14,971	107,854
Equipment Maintenance and Repair	2,211	4,433	6,644		4,770	11,414
In-Kind Expenses	12,375	12,375	24,750		4,038	28,788
Insurance	3,600	7,636	11,236		434	11,670
Membership Dues	734	1,500	2,234			2,234
Miscellaneous	4,089	2,532	6,621		3,057	9,678
Occupancy	11,979	10,703	22,682		1,601	24,283
Office Supplies	1,599	1,690	3,289		1,580	4,869
Other Program Expenses	4,399	2,707	7,106		1,278	8,384
Postage	1,445	2,558	4,003		173	4,176
Printing and Publications	71	71	142		1,515	1,657
Professional Fees	3,199	514	3,713		7,269	10,982
Program Fee Scholarships		1,831	1,831			1,831
Program Meals	25,987		25,987			25,987
Program Supplies	6,655		6,655		320	6,975
Salaries and Wages	232,519	364,079	596,598	31,421	47,130	675,149
Special Events			0	6,264		6,264
Travel	10,160	5,499	15,659		840	16,499
TOTAL EXPENSES	<u>\$365,345</u>	<u>\$463,001</u>	<u>\$828,346</u>	<u>\$44,836</u>	<u>\$115,418</u>	<u>\$988,600</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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$22,842	\$46,739
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	8,804	8,602
(Increase) Decrease in Accounts Receivable	44,219	(27,190)
Increase in Prepaid Expenses	(5,952)	(7,358)
Increase (Decrease) in Accounts Payable	3,830	(5,412)
Increase (Decrease) in Accrued Payroll Liabilities	(6,056)	3,757
Decrease in Deferred Revenue	(241)	(2,680)
Net Cash Provided by Operating Activities	<u>67,446</u>	<u>16,458</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	<u>(13,158)</u>	<u>(9,615)</u>
Net Cash Used by Investing Activities	<u>(13,158)</u>	<u>(9,615)</u>
Net Increase in Cash and Cash Equivalents	54,288	6,843
Cash and Cash Equivalents - Beginning of Year	<u>128,602</u>	<u>121,759</u>
Cash and Cash Equivalents - End of Year	<u><u>\$182,890</u></u>	<u><u>\$128,602</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, 2012 and 2011

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, 2012 and 2011.

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, 2012 and 2011

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

Basis of Accounting:

The financial statement for 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 amount 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 \$20,691 and \$21,304 for the years ended December 31, 2012 and 2011, respectively.

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

Notes to the Financial Statements

December 31, 2012 and 2011

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

Revenue Concentration

Program service fees derived from the State of Illinois were approximately 28% and 33% of total revenue and support for the years ended December 31, 2012 and 2011, 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, 2012 and 2011

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

Uncertain Tax Positions

The Organization's 2010 through 2012 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 30, 2013, 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, 2012 and 2011. 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, 2012 and 2011. The line of credit is due on demand, or if no demand, on November 17, 2013 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, 2012 and 2011

NOTE 3 - FIXED ASSETS

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

	Costs	Accumulated Depreciation	Net Book Value	
			2012	2011
Office Equipment	\$63,711		\$63,711	\$62,321
Furniture and Fixtures	34,284		34,284	22,516
Less: Accumulated Depreciation		(\$72,957)	(72,957)	(64,153)
	<u>\$97,995</u>	<u>(\$72,957)</u>	<u>\$25,038</u>	<u>\$20,684</u>

Depreciation expense for 2012 and 2011 totaled \$8,804 and \$8,602, respectively.

NOTE 4 - IN-KIND DONATIONS

In kind donations consisted of the following:

	2012	2011
Rent	\$24,000	\$24,000
Volunteer Services	30,000	1,125
Materials	10,072	3,663
	<u>\$64,072</u>	<u>\$28,788</u>

NOTE 5 - LEASES

The Organization has entered into operating lease agreements for equipment and facility space. The facility is leased from St. John Evangelical United Church of Christ, a related party, on a month-to-month basis. The equipment leases expire in 2014 and 2017. Rent expense is \$45,186 and \$39,199 for the years ended December 31, 2012 and 2011, including in-kind facility rent expense of \$24,000 for each year.

The future minimum payments are as follows at December 31, 2012:

2013	\$9,181
2014	9,181
2015	1,037
2016	1,037
2017	951
Total	<u>\$21,387</u>

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

Notes to the Financial Statements

December 31, 2012 and 2011

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	Balance 12/31/11	Receipts	Released	Balance 12/31/12
Medical Equipment	\$5,617	\$0	(\$1,115)	\$4,502
Computer System	5,250		(5,250)	0
Alarm System, Signage, Storage	4,359		(1,383)	2,976
New Site Feasibility Study	7,337		(7,337)	0
Alzheimers Support Group		1,500	(1,500)	0
Adult Day Staff & Subsidies		21,855	(21,855)	0
Art Therapy		4,000		4,000
New Site Assets & Operations		55,100	(7,719)	47,381
Total Temporarily Restricted Net Assets	<u>\$22,563</u>	<u>\$82,455</u>	<u>(\$46,159)</u>	<u>\$58,859</u>

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

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 \$42,957 and \$29,401 from United Way for the years ended December 31, 2012 and 2011, respectively. Of the total funds received, \$14,873 and \$16,000 was distributed to the Faith in Action Program in 2012 and 2011, 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 \$3,434 and \$7,699 at December 31, 2012 and 2011, respectively.