

INNER CITY MISSION OF SPRINGFIELD, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

Inner City Mission of Springfield, Inc.

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
STATEMENT 1 - STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS	3
STATEMENT 2 - STATEMENTS OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS – MODIFIED CASH BASIS	4
STATEMENT 3 - STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS	5-6
Notes to Financial Statements.....	7-10

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Independent Auditor's Report

To the Board of Directors
Inner City Mission of Springfield, Inc.

Opinion

We have audited the accompanying financial statements of the Inner City Mission of Springfield, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of December 31, 2023 and 2022, and the related statements of revenues, expenses and other changes in net assets – modified cash basis and statements of functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Inner City Mission of Springfield, Inc. as of December 31, 2023 and 2022, and its revenues and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Inner City Mission of Springfield, Inc. 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Inner City Mission of Springfield, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Inner City Mission of Springfield, Inc.'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.

Estes, Bridgewater & Ogden

Certified Public Accountants
Springfield, Illinois

May 13, 2024

Inner City Mission of Springfield, Inc.
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS –
MODIFIED CASH BASIS
December 31, 2023 and 2022

Statement 1

<u>Assets</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$172,198	\$426,006
Due from employees.....	<u>5,524</u>	<u>2,065</u>
Total Current Assets.....	<u>177,722</u>	<u>428,071</u>
RESTRICTED ASSETS		
Cash and cash equivalents	<u>-</u>	<u>2,432</u>
FIXED ASSETS		
Land	25,000	25,000
Buildings and building improvements.....	751,505	612,235
Furniture and equipment.....	61,439	59,439
Vehicles	<u>12,073</u>	<u>9,260</u>
Total Fixed Assets.....	850,017	705,934
(Less) accumulated depreciation.....	(<u>397,650</u>)	(<u>377,332</u>)
Total Fixed Assets.....	<u>452,367</u>	<u>328,602</u>
TOTAL ASSETS	<u>\$630,089</u>	<u>\$759,105</u>
<u>Liabilities and Net Assets</u>		
CURRENT LIABILITIES		
Funds held for residents.....	\$ 83	\$ 2,692
Accrued expenses – credit card	<u>9,507</u>	<u>8,329</u>
Total Current Liabilities.....	<u>9,590</u>	<u>11,021</u>
NET ASSETS		
Without donor restrictions	620,499	748,084
With donor restrictions	<u>-</u>	<u>-</u>
Total Net Assets.....	<u>620,499</u>	<u>748,084</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$630,089</u>	<u>\$759,105</u>

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

Inner City Mission of Springfield, Inc.
**STATEMENTS OF REVENUES, EXPENSES,
AND OTHER CHANGES IN NET ASSETS –
MODIFIED CASH BASIS**
For the Years Ended December 31, 2023 and 2022

Statement 2

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
REVENUES						
Contributions.....	\$ 685,118	\$ -	\$ 685,118	\$ 870,575	\$ -	\$ 870,575
Interest and investment gain (loss)	1,169	-	1,169	(217)	-	(217)
Other income.....	23,343	-	23,343	8,951	-	8,951
Net assets released from restrictions ..	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenues	<u>709,630</u>	<u>-</u>	<u>709,630</u>	<u>879,309</u>	<u>-</u>	<u>879,309</u>
EXPENSES						
Program services:						
Homeless Shelter Education and Counseling.....	615,889	-	615,889	576,080	-	576,080
Supporting services:						
Management and general.....	145,534	-	145,534	142,397	-	142,397
Fundraising	<u>75,792</u>	<u>-</u>	<u>75,792</u>	<u>87,859</u>	<u>-</u>	<u>87,859</u>
 Total expenses	<u>837,215</u>	<u>-</u>	<u>837,215</u>	<u>806,336</u>	<u>-</u>	<u>806,336</u>
CHANGE IN NET ASSETS	(127,585)	-	(127,585)	72,973	-	72,973
NET ASSETS – BEGINNING OF YEAR..	<u>748,084</u>	<u>-</u>	<u>748,084</u>	<u>675,111</u>	<u>-</u>	<u>675,111</u>
NET ASSETS – END OF YEAR.....	\$ <u>620,499</u>	\$ <u>-</u>	\$ <u>620,499</u>	\$ <u>748,084</u>	\$ <u>-</u>	\$ <u>748,084</u>

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

Inner City Mission of Springfield, Inc.
STATEMENT OF FUNCTIONAL EXPENSES –
MODIFIED CASH BASIS
For the Year Ended December 31, 2023

Statement 3

	<u>Program Services:</u> Homeless Shelter, Education & Counseling	<u>Support Services:</u> Management and General	<u>Fundraising</u>	<u>2023 Total</u>
Accounting and legal fees	\$ -	\$ 5,300	\$ -	\$ 5,300
Bank fees	-	560	-	560
Community expense	7,223	-	-	7,223
Contractual services.....	13,279	4,606	1,126	19,011
Depreciation.....	15,239	5,080	-	20,319
Employee benefits	14,540	2,908	1,939	19,387
Food.....	6,843	4,093	1,016	11,952
Shelter supplies and expense.....	14,703	-	-	14,703
Insurance.....	17,889	5,962	-	23,851
Membership dues.....	-	525	-	525
Office supplies	1,831	4,760	732	7,323
Other	423	1,161	-	1,584
Payroll taxes	30,903	6,181	4,120	41,204
Postage.....	2,560	167	2,728	5,455
Printing	5,890	393	2,354	8,637
Program expenses.....	4,344	-	-	4,344
Promotion	8,466	-	8,465	16,931
Repairs and maintenance.....	9,202	2,466	-	11,668
Resident supplies	27,883	-	-	27,883
Salaries.....	389,698	77,940	51,960	519,598
Staff expenses.....	-	10,550	-	10,550
Telephone and internet	10,139	2,027	1,352	13,518
Training and seminars	4,726	1,721	-	6,447
Transportation.....	6,751	2,250	-	9,001
Utilities	<u>23,357</u>	<u>6,884</u>	<u>-</u>	<u>30,241</u>
Total expenses.....	<u>\$615,889</u>	<u>\$145,534</u>	<u>\$ 75,792</u>	<u>\$837,215</u>

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

Inner City Mission of Springfield, Inc.
STATEMENT OF FUNCTIONAL EXPENSES –
MODIFIED CASH BASIS
For the Years Ended December 31, 2022

Statement 3

	<u>Program Services:</u>	<u>Support Services:</u>		
	Homeless Shelter Education & Counseling	Management and General	Fundraising	2022 Total
Accounting and legal fees	\$ -	\$ 5,300	\$ -	\$ 5,300
Bank fees	-	95	-	95
Community expense	8,609	-	-	8,609
Contractual services.....	15,910	5,446	-	21,356
Depreciation.....	20,694	6,898	-	27,592
Employee benefits	9,377	1,875	1,250	12,502
Food	1,162	206	-	1,368
Shelter supplies and expense	7,245	-	-	7,245
Insurance.....	14,384	4,795	-	19,179
Membership dues.....	-	290	-	290
Office supplies	2,366	6,152	946	9,464
Other	-	931	-	931
Payroll taxes	27,390	5,478	3,652	36,520
Postage.....	447	447	895	1,789
Printing	5,217	373	1,863	7,453
Program expenses.....	3,766	-	-	3,766
Promotion	21,969	-	29,229	51,198
Repairs and maintenance.....	4,183	465	-	4,648
Resident supplies	9,510	-	-	9,510
Salaries.....	360,310	72,062	48,042	480,414
Staff expenses	5,904	15,734	-	21,638
Telephone and internet	14,856	2,971	1,982	19,809
Training and seminars	9,726	3,608	-	13,334
Transportation.....	6,556	2,185	-	8,741
Utilities	<u>26,499</u>	<u>7,086</u>	<u>-</u>	<u>33,585</u>
Total expenses.....	<u>\$576,080</u>	<u>\$142,397</u>	<u>\$ 87,859</u>	<u>\$806,336</u>

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

Inner City Mission of Springfield, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF OPERATIONS

Summary of Operations

Inner City Mission of Springfield, Inc. (Mission) is an Illinois not-for-profit corporation. Membership is open to all independent Christian churches and Churches of Christ on the basis of representation and financial support of the Mission. Its purpose is to provide assistance to the homeless and needy in the form of temporary shelter, food, counseling, and job and apartment location.

Mission Statement:

The Mission of Inner City Mission is to help the homeless find their way home.

Vision:

Calming the chaos in the lives of homeless children, their parents and single women by helping them find the stability in Jesus Christ found in the Bible.

Strategic Statement:

The Mission's strategy is to accomplish the mission by reducing homelessness as it exists in our culture today using a Christian perspective to identify and confront root causes of homelessness. To this end the Mission will provide shelter, support, education and Christian counseling to homeless children, their parents and single women while keeping a Biblical truths about Godly righteousness before our culture, community and fellow Christians.

Nine Strategies:

1. Seek God's direction and insight for the Mission.
2. Maintain a Christian perspective in all the operations of the Mission.
3. Understand the root cause of homelessness.
4. Provide housing and other physical needs for the homeless.
5. Present biblical truths about God's design for a stable lifestyle through Christian counseling.
6. Teach Godly righteousness through guidance and educational programs that address issues common to homelessness.
7. Work to eliminate factors that contribute to homelessness while educating the public on the deteriorating effects of living outside biblical truths.
8. Encourage fellow Christians to confront the root causes of homelessness through the exchange of resources and partnerships with the Mission.
9. Foster a spirit of thanksgiving for the blessings God has provided through the support of His people who make the work of the Mission possible.

Inner City Mission of Springfield, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The modified cash basis of accounting is used by Inner City Mission of Springfield, Inc. (Mission) to prepare its financial statements. Revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. In addition, only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets; in the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities. Fixed assets are capitalized and depreciated in the Mission's financial statements. This is a modification from the cash basis of accounting.

Basis of Presentation – The financial statements of the Mission have been prepared in accordance with the modified cash basis of accounting, which is another basis of accounting other than accounting principles generally accepted in the United States of America, and requires the Mission to report information regarding its financial position and activities accordingly to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Mission's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Mission or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Fixed Assets – Land, building and equipment are carried at cost, except for items donated which are stated at fair value at the time of receipt. Depreciation is provided over the estimated economic useful lives of the assets using the straight-line method. The cost of maintenance and repairs is charged to expense as paid; significant improvements are capitalized. Fixed assets for financial statement reporting purposes are capitalized using a \$1,000 threshold.

Functional expenses – Certain expenses included in the statements of functional expenses – modified cash basis have been allocated between program services, management and general, and fundraising. Compensation and related expenses have been allocated on the basis of an estimate of time devoted to these service areas. Interest and depreciation expenses have been allocated on the basis of building space occupied by the service areas.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures 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.

Inner City Mission of Springfield, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Income Taxes – The Mission is a not-for-profit organization and is an exempt organization under Internal Revenue Code Section 501 (c)(3) and, as such, a public charity qualified for charitable contributions under Internal Revenue Code Section 170.

The Mission has recognized in the financial statements the effects of all tax positions and continually evaluates expiring statutes of limitations, audits, changes in tax law, and new authoritative rulings. The Mission is not aware of any circumstances or events that make it reasonably possible that unrecognized tax benefits may increase or decrease within twelve months of the balance sheet date. Penalties and interest assessed by taxing authorities are included in the provision for income taxes, if applicable. There were no interest or penalties paid during 2023 or 2022.

The Mission files informational tax returns in the United States federal jurisdiction. The federal tax returns prior to 2018 are closed.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 and 2022 are:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$172,198	\$426,006
Less: financial assets held for residents	(<u>83</u>)	(<u>2,432</u>)
Amount available for general expenditures within one year	<u>\$172,115</u>	<u>\$423,574</u>

The Mission's cash flows have variations during the year attributable to timing of payments from donors. To manage liquidity, the organization structures its financial assets to be available as general expenses, liabilities, and other obligations come due.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes if by occurrence of other events specified by donors. Net assets with donor restrictions for the years ended December 31, 2023 and 2022 totaled \$-0- and \$-0-, respectively.

NOTE 5 – RESTRICTED ASSETS

The Mission maintains a checking account for the use of its residents. The residents may deposit money in the account and the Mission holds the money for them until it is requested by the resident. The funds are held in a separate account. The balances were \$83 and \$2,432 for the years ended December 31, 2023 and 2022, respectively.

Inner City Mission of Springfield, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 6 – INNER CITY MISSION 401 K PLAN

Inner City Mission started a 401 K Plan for employees effective September 1, 2021. Employees must have one year of service with a minimum of 1,000 hours with semi-annual entry dates. The employer contribution rate is 3% of compensation for each eligible employee whether or not the employee contributes to the Plan. Employer expense was \$12,806 and \$10,980 for the years ended December 31, 2023 and 2022, respectively.

NOTE 7 – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2023 and 2022, the Mission employs five other family members of the Executive Director.

NOTE 8 – EMPLOYEE VACATION

The Mission's policies and benefit guidelines provides for payment of unused earned vacation. The estimated balances were \$26,692 and \$22,002 at December 31, 2023 and 2022, respectively. This total is not recorded as a liability in the cash basis financial statements.

NOTE 9 – SUBSEQUENT EVENTS

The Mission reviewed events for inclusion in the financial statements through May 13, 2024, the date through which subsequent events have been evaluated and the date the financial statements were available to be issued.