

**DEACONESS FAITH COMMUNITY  
NURSE MINISTRIES, INC.**

**FINANCIAL STATEMENTS**

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YEARS ENDED DECEMBER 31, 2017 AND 2016

DEACONESS FAITH COMMUNITY NURSE MINISTRIES, INC.

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# *Fick, Eggemeyer & Williamson*

**Certified Public Accountants, PC**



MEMBERS OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Deaconess Faith Community Nurse Ministries, Inc.

We have audited the accompanying financial statements of Deaconess Faith Community Nurse Ministries, Inc. (a non-profit corporation), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year 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 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 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 Deaconess Faith Community Nurse Ministries, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the Deaconess Faith Community Nurse Ministries, Inc. 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 24, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental statement of functional expenses on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Fick, Eggemeyer & Williamson*

Fick, Eggemeyer, & Williamson CPAs

Saint Louis, MO

May 15, 2018

DEACONESS FAITH COMMUNITY NURSE MINISTRIES, INC.  
STATEMENT OF FINANCIAL POSITION

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DECEMBER 31, 2017 AND 2016

	ASSETS	
	2017	2016
<b>CURRENT ASSETS</b>		
Cash	\$ 81,333	\$ 92,140
Accounts receivable	40,132	37,225
Prepaid expenses	9,451	10,306
Investments	225,342	356,957
Total current assets	356,258	496,628
<b>NON-CURRENT ASSETS</b>		
Property and equipment, net	26,625	36,096
Security deposit	1,000	1,000
Total non-current assets	27,625	37,096
Total assets	\$ 383,883	\$ 533,724
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 299	\$ 32,846
Accrued expenses	21,895	21,850
Total current liabilities	22,194	54,696
<b>NON-CURRENT LIABILITIES</b>		
None	-	-
Total non-current liabilities	-	-
Total liabilities	22,194	54,696
<b>NET ASSETS</b>		
Unrestricted	296,954	423,589
Temporarily restricted	64,735	55,439
Permanently restricted	-	-
Total net assets	361,689	479,028
Total liabilities and net assets	\$ 383,883	\$ 533,724

See accompanying notes and independent auditors' report

DEACONESS FAITH COMMUNITY NURSE MINISTRIES, INC.  
STATEMENT OF ACTIVITIES

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FOR THE YEAR ENDED DECEMBER 31, 2017  
WITH COMPARATIVE TOTALS FOR 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total	2016 Total
Support and revenue					
Parish nurse grants	\$ 14,371	\$ 82,874	\$ -	\$ 97,245	\$ 398,076
Church reimbursements	467,517	-	-	467,517	377,287
Donations	31,953	-	-	31,953	18,771
Other income	8,744	-	-	8,744	6,317
Total support and revenue	<u>522,585</u>	<u>82,874</u>	<u>-</u>	<u>605,459</u>	<u>800,451</u>
Net assets released from restrictions	<u>73,578</u>	<u>(73,578)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net support and revenue	<u>596,163</u>	<u>9,296</u>	<u>-</u>	<u>605,459</u>	<u>800,451</u>
Expenses					
Program expenses					
Care transitions	22,824	-	-	22,824	103,597
Senior health	172,687	-	-	172,687	169,141
Congregational	230,602	-	-	230,602	245,704
Community outreach	135,683	-	-	135,683	91,734
Total program expenses	<u>561,796</u>	<u>-</u>	<u>-</u>	<u>561,796</u>	<u>610,176</u>
Support expenses					
Management and general	159,521	-	-	159,521	218,185
Fundraising	39,866	-	-	39,866	43,620
Total support expenses	<u>199,387</u>	<u>-</u>	<u>-</u>	<u>199,387</u>	<u>261,805</u>
Total expenses	<u>761,183</u>	<u>-</u>	<u>-</u>	<u>761,183</u>	<u>871,981</u>
Change in net assets from operations	(165,020)	9,296	-	(155,724)	(71,530)
Investment activity					
Investment income	3,530	-	-	3,530	6,787
Realized gain/(loss)	11,717	-	-	11,717	(1,831)
Unrealized gain/(loss)	23,138	-	-	23,138	24,482
Total investment activity	<u>38,385</u>	<u>-</u>	<u>-</u>	<u>38,385</u>	<u>29,438</u>
Change in nets assets	(126,635)	9,296	-	(117,339)	(42,092)
Net assets, beginning of year	<u>423,589</u>	<u>55,439</u>	<u>-</u>	<u>479,028</u>	<u>521,120</u>
Net assets, end of year	<u>\$ 296,954</u>	<u>\$ 64,735</u>	<u>\$ -</u>	<u>\$ 361,689</u>	<u>\$ 479,028</u>

See accompanying notes and independent auditors' report

DEACONESS FAITH COMMUNITY NURSE MINISTRIES, INC.  
STATEMENT OF CASH FLOWS

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FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (117,339)	\$ (42,092)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	9,471	5,530
Realized loss on sale of investments	(11,717)	1,831
Unrealized (gain) loss on investment	(23,138)	(24,482)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,907)	(6,825)
(Increase) decrease in grants receivable	-	7,500
(Increase) decrease in prepaid expenses	855	186
(Increase) decrease in security deposits	-	(1,000)
Increase (decrease) in accounts payable	(32,547)	29,165
Increase (decrease) in accrued expenses	45	4,072
	(177,277)	(26,115)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(28,970)
Proceeds from sale of investments	170,000	195,000
Purchase of investments	(3,530)	(206,779)
	166,470	(40,749)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
None	-	-
	-	-
Net increase (decrease) in cash and cash equivalents	(10,807)	(66,864)
Cash and cash equivalents - beginning of year	92,140	159,004
Cash and cash equivalents - end of year	\$ 81,333	\$ 92,140

See accompanying notes and independent auditors' report

DEACONESS FAITH COMMUNITY NURSE MINISTRIES INC.  
NOTES TO FINANCIAL STATEMENTS

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DECEMBER 31, 2017 and 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of the Organization

Deaconess Faith Community Nurse Ministries Inc. (the Organization) is a non-profit corporation that provides mental, physical and spiritual health related services, education and advocacy to churches, mosques and synagogues and various community organizations in efforts to create communities of holistic wellness. Its mission is to improve and promote the health of body, mind, spirit, and community throughout the St. Louis region. The organization began operations on December 31, 2013.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

Deaconess Nurse Ministries' financial statement presentation complies with the recommendations of the Financial Accounting Standards Board. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets - represent resources over which the Board of Directors has unlimited discretionary control to carry out the activities of the Organization in accordance with the Articles of Incorporation and By-Laws.

Temporarily Restricted Net Assets - represent resources whose use is limited by donor-imposed restrictions that will be met either by actions of the Organization or by the passage of time.

Permanently Restricted Net Assets - are subject to donor-imposed stipulations that the net assets be retained and invested permanently. The Organization presently has no permanently restricted net assets.

Income Taxes

The Organization is exempt from income taxes pursuant to section 509(a)(2) of the Internal Revenue Service Code. Therefore, no provision is made for taxes on income.

The Organization adopted the provisions of Accounting for Uncertainty in Income Taxes on January 1, 2012. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of December 31, 2017, no amounts have been recognized for uncertain tax positions. The Organization's tax returns filed prior to 2015 are closed.



DEACONESS FAITH COMMUNITY NURSE MINISTRIES INC.  
NOTES TO FINANCIAL STATEMENTS

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DECEMBER 31, 2017 and 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

The Organization has adopted "Accounting for Certain Investments Held by Non-Profit Organizations." Under the standard, investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Support and Revenue

The Organization receives support from local churches, mosques, synagogues, and various community organizations for providing services. The organization receives grant money from the Missouri Foundation for Health, Incarnate Word Foundation, the Lutheran Foundation, and Cape Albeon/Good Samaritan. The Organization also receives miscellaneous individual donations from public support.

Accounts Receivable

Accounts receivable are stated at the net amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision to its revenue accounts and an adjustment to a valuation allowance based on its assessment of the current status of the individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

Fixed Assets and Depreciation

Fixed assets are recorded at cost or, in the case of donated property, at their estimated fair market value at the date of the donation. The Organization generally capitalizes assets with a cost of \$500 or more. Depreciation of fixed assets is provided over the estimated useful lives of the respective assets on a straight-line basis. Furniture, equipment and software owned by the organization has been depreciated over periods ranging from 3 to 10 years. Expenditures for repairs and maintenance are charged to operating expense as incurred.

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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.

DEACONESS FAITH COMMUNITY NURSE MINISTRIES INC.  
NOTES TO FINANCIAL STATEMENTS

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DECEMBER 31, 2017 and 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Comparative Data

The amounts show for the year ended December 31, 2016 in the accompanying financial statements are included to provide a basis for comparison with 2017 and present summarized totals only. Accordingly, the 2016 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Contributed Services

A number of volunteers contributed services to the Organization. Only the contributed services that meet the reporting criteria for recognition have been reported at the fair market value for the services provided. Contributed services that do not meet the reporting criteria have not been included in the financial statements.

**NOTE 2 - ACCOUNTS RECEIVABLE**

At December 31, 2017 and 2016 accounts receivable was comprised of amounts due from churches and other organizations for services performed. Management deems all receivable balances to be fully collectible as of the end of 2017 and 2016; therefore, the allowance for doubtful accounts is \$0. The accounts receivable balance as of December 31, 2017 and 2016 were \$40,132 and \$37,225, respectively.

**NOTE 3 – OPERATING LEASES**

The Organization entered into a lease with Fee Fee Investors, LLC for office space in November 2015. The lease term is May 1, 2016 through May 1, 2018 with monthly payments of \$850.

At December 31, 2017, future minimum lease payments are as follows:

Year ending December 31,	
2018	\$ 4,250
Total	<u>\$ 4,250</u>

Operating lease payments for the years ended December 31, 2017 and 2016 were \$10,200 and \$7,425, respectively.

DEACONESS FAITH COMMUNITY NURSE MINISTRIES INC.  
NOTES TO FINANCIAL STATEMENTS

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DECEMBER 31, 2017 and 2016

**NOTE 4 - 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. Costs are allocated between fundraising, administration and program services of the Organization based on evaluations of the related benefits. Administrative expenses include those expenses which were not directly identifiable with any other specific functions but provide for the overall support and direction of the organization.

**NOTE 5 - FAIR VALUE MEASUREMENTS**

The Financial Accounting Standards Board establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below:

- Level 1- Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Organization has the ability to access.
- Level 2- Inputs to the valuation methodology include:
  - Quoted prices for similar assets in active markets;
  - Quoted prices for similar assets in inactive markets;
  - Inputs other than quoted prices that are observable for the asset;
  - Inputs that are derived principally from or corroborated by observable market data by the correlation or other means.
- Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017.

Mutual funds: Valued at the net asset value of shares held by the Organization at year end as calculated by United Church Funds.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

DEACONESS FAITH COMMUNITY NURSE MINISTRIES INC.  
NOTES TO FINANCIAL STATEMENTS

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DECEMBER 31, 2017 and 2016

**NOTE 5 - FAIR VALUE MEASUREMENTS (continued)**

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
United Church Mutual funds	\$ -	\$ 225,342	\$ -	\$ 225,342
Total Investments	<u>\$ -</u>	<u>\$ 225,342</u>	<u>\$ -</u>	<u>\$ 225,342</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
United Church Mutual funds	\$ -	\$ 356,957	\$ -	\$ 356,957
Total Investments	<u>\$ -</u>	<u>\$ 356,957</u>	<u>\$ -</u>	<u>\$ 356,957</u>

**NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS**

The Organization's temporarily restricted net assets are listed in detail below. The purposes of the temporarily restricted net assets are for improvements of parish congregational health.

	<u>2017</u>	<u>2016</u>
Missouri Foundation for Health	\$ -	\$ 745
Lutheran Foundation	18,667	7,585
Episcopal Presbyterian Health Trust	2,192	28,875
Daughters of Charity	30,841	16,484
Jefferson Memorial	8,452	-
Employee Community Fund of Boeing	-	1,750
Trio Foundation of St. Louis	4,583	-
Total temporarily restricted net assets	<u>\$ 64,735</u>	<u>\$ 55,439</u>

DEACONESS FAITH COMMUNITY NURSE MINISTRIES INC.  
NOTES TO FINANCIAL STATEMENTS

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DECEMBER 31, 2017 and 2016

**NOTE 7 - FIXED ASSETS**

The following components comprise fixed assets as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 21,870	\$ 21,870
Software	25,476	25,476
Less: accumulated depreciation	<u>(20,721)</u>	<u>(11,250)</u>
Net fixed assets	<u>\$ 26,625</u>	<u>\$ 36,096</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$9,471 and \$5,530, respectively.

**NOTE 8 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 15, 2018, the date which the financial statements were available for issue, and noted no reportable events.

DEACONESS FAITH COMMUNITY NURSE MINISTRIES, INC.  
SUPPLEMENTAL SCHEDULE

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2017  
WITH COMPARITIVE TOTALS FOR 2016

	Program Services				Supporting Services		2017 Total Expenses	2016 Total Expenses
	Care Transitional	Senior Health	Congregational	Community Outreach	Management & General	Fundraising Activities		
Salaries	\$ 11,479	\$ 140,699	\$ 187,806	\$ 112,067	\$ 52,969	\$ 22,686	\$ 527,706	\$ 563,058
Payroll taxes	975	10,803	11,153	8,265	7,711	1,770	40,677	47,379
Employee benefits	4,429	8,487	13,790	12,551	18,197	1,250	58,704	84,461
Development	-	-	-	-	-	3,407	3,407	6,030
Rent and lease expense	-	-	-	-	10,200	-	10,200	11,922
Depreciation expense	-	-	-	-	9,471	-	9,471	5,530
Office supplies	-	-	-	-	1,733	-	1,733	4,071
Program supplies	435	870	1,224	163	27	-	2,719	4,288
Postage and printing	-	-	-	-	2,888	-	2,888	2,123
Insurance	932	1,862	2,618	350	57	-	5,819	2,447
Dues	-	-	-	-	849	-	849	4,483
Travel	190	981	1,377	494	3,017	-	6,059	13,332
Meals and entertainment	-	-	-	-	399	-	399	363
Miscellaneous	-	-	-	-	5,431	-	5,431	8,835
Professional fees	-	-	-	-	43,051	-	43,051	17,005
Computer expenses	4,319	8,639	12,148	1,620	270	-	26,996	33,452
Bank fees	-	-	-	-	1,017	-	1,017	699
Capacity building	-	-	-	-	-	-	-	52,089
Utilities	-	-	-	-	2,223	-	2,223	624
Fundraising expenses	-	-	-	-	-	10,753	10,753	9,790
Parish nurse education	65	346	486	173	11	-	1,081	-
<b>Total</b>	<b>\$ 22,824</b>	<b>\$ 172,687</b>	<b>\$ 230,602</b>	<b>\$ 135,683</b>	<b>\$ 159,521</b>	<b>\$ 39,866</b>	<b>\$ 761,183</b>	<b>\$ 871,981</b>