VINCENT VILLAGE, INC.

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

June 30, 2017 and 2016

VINCENT VILLAGE, INC.

CONTENTS

	Page
Independent Auditors' Report	1-2
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5-6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8-16

Independent Auditors' Report

Board of Directors
Vincent Village, Inc.

We have audited the accompanying consolidated financial statements of Vincent Village, Inc. (the Organization), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Katz, Sapper & Miller, LLP
Certified Public Accountants

202 West Berry Street, Suite 600
Fort Wayne, IN 46802

Tel 260.496.8297
Web ksmcpa.com

An Affiliate of
KSM Business Services, Inc.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Vincent Village, Inc. as of June 30, 2017 and 2016, 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.

Katz, Sapper & Miller, LLP

Fort Wayne, Indiana
December 12, 2017

VINCENT VILLAGE, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2017 and 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	$ 164,772	$ 125,855
Grants receivable	132,350	129,850
Prepaid expenses	1,101	991
Total Current Assets	298,223	256,696
PROPERTY AND EQUIPMENT, net	2,238,206	1,638,361
BENEFICIAL INTEREST IN COMMUNITY FOUNDATION	15,200	13,925
TOTAL ASSETS	$ 2,551,629	$ 1,908,982
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable - trade	$ 23,307	$ 8,682
Accrued expenses and payroll withholdings	26,278	30,813
Deferred revenue	33,500	
Total Current Liabilities	83,085	39,495
NET ASSETS		
Unrestricted - undesignated	2,187,876	1,567,061
Unrestricted - board designated	58,380	45,807
Unrestricted - board designated endowment	12,542	11,490
Total Unrestricted	2,258,798	1,624,358
Temporarily restricted	207,088	242,694
Permanently restricted - endowment	2,658	2,435
Total Net Assets	2,468,544	1,869,487
TOTAL LIABILITIES AND NET ASSETS	$ 2,551,629	$ 1,908,982

See accompanying notes.

VINCENT VILLAGE, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended June 30, 2017 and 2016

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND SUPPORT								
Grants and contributions	$ 336,944	$ 377,830		$ 714,774	$ 353,676	$ 217,731		$ 571,407
Government funds	30,012			30,012	89,627			89,627
Rental income	137,766			137,766	161,661			161,661
Donated property	516,300			516,300				
In-kind goods, services and space rental	133,086			133,086	191,465			191,465
Special events	267,316			267,316	230,157	32,600		262,757
Less: Direct expenses	(27,055)			(27,055)	(42,091)			(42,091)
Less: Direct expenses - in-kind	(37,100)			(37,100)	(67,944)			(67,944)
Maintenance services	9,044			9,044	7,203			7,203
Interest income	30			30	28			28
Change in value of beneficial interest	1,052		$ 223	1,275	(430)	(348)		(778)
Gain (loss) on disposal of property and equipment	(5,063)			(5,063)	1,485			1,485
	1,362,332	377,830	223	1,740,385	924,837	249,983		1,174,820
Net assets released from restrictions	413,436	(413,436)			175,811	(175,811)		
Total Revenues and Support	1,775,768	(35,606)	223	1,740,385	1,100,648	74,172		1,174,820
EXPENSES								
Program Services:								
Vincent House	437,879			437,879	420,651			420,651
Village Phase II - Rental Home Program	404,516			404,516	444,915			444,915
Youth and Family Services	77,873			77,873	59,803			59,803
St. Hyacinth Center	10,644			10,644	18,064			18,064
Community Housing Development	2,781			2,781	113			113
Supporting Services:								
Management and general	164,243			164,243	169,976			169,976
Fundraising	43,392			43,392	49,200			49,200
Total Expenses	1,141,328			1,141,328	1,162,722			1,162,722
CHANGE IN NET ASSETS	634,440	(35,606)	223	599,057	(62,074)	74,172		12,098
NET ASSETS								
Beginning of Year	1,624,358	242,694	2,435	1,869,487	1,686,432	168,522	$ 2,435	1,857,389
End of Year	$ 2,258,798	$ 207,088	$ 2,658	$ 2,468,544	$ 1,624,358	$ 242,694	$ 2,435	$ 1,869,487

See accompanying notes.

VINCENT VILLAGE, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2017

	Vincent House	Village Phase II Rental Home Program	Youth and Family Services	St. Hyacinth Center	Community Housing Development	Total Program	Management and General	Fundraising	Total
Salaries and wages	$ 238,373	$ 179,652	$ 37,050	$ 3,537	$ 895	$ 459,507	$ 58,668	$ 34,910	$ 553,085
Payroll taxes	18,655	14,031	2,897	281	65	35,929	4,501	2,546	42,976
Employee benefits	37,197	17,975	8,640	4,241		68,053	23,586	1,989	93,628
	294,225	211,658	48,587	8,059	960	563,489	86,755	39,445	689,689
Auto and travel	1,009	1,043	973			3,025	97		3,122
Childcare and educational	8,658		3,600			12,258	89		12,347
Contracted services	350	400	510			1,260			1,260
Food	7,954	6,362	76			14,392	208	30	14,630
Equipment and equipment rental	819	4,906	209	1,681		7,615	155		7,770
Insurance and taxes	5,627	19,433	1,538			26,598	16,577		43,175
Legal and professional	5,585	1,879	926	176	1,821	10,387	12,405	1,337	24,129
Maintenance and repairs	18,652	60,713	683	154		80,202	2,566	81	82,849
Supportive services	9,797	6,082	1,303			17,182			17,182
Office expense	2,305	1,531	1,243	107		5,186	1,092	1,129	7,407
Other expenses	4,594	907	4,745	359		10,605	8,744	102	19,451
In-kind rent	18,000	18,000				36,000	20,834		56,834
Program supplies	11,930	1,541	386			13,857		953	14,810
Telephone and utilities	23,410	16,897	13,072	108		53,487	4,183	315	57,985
Subtotal	412,915	351,352	77,851	10,644	2,781	855,543	153,705	43,392	1,052,640
Depreciation	24,964	53,164	22			78,150	10,538		88,688
TOTAL EXPENSES	$ 437,879	$ 404,516	$ 77,873	$ 10,644	$ 2,781	$ 933,693	$ 164,243	$ 43,392	$ 1,141,328

See accompanying notes.

VINCENT VILLAGE, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2016

	Vincent House	Village Phase II Rental Home Program	Youth and Family Services	St. Hyacinth Center	Community Housing Development	Total Program	Management and General	Fundraising	Total
Salaries and wages	$ 224,072	$ 168,520	$ 37,926	$ 7,018	$ 74	$ 437,610	$ 71,434	$ 37,704	$ 546,748
Payroll taxes	16,756	12,334	2,785	452	5	32,332	5,033	2,733	40,098
Employee benefits	27,471	17,552	8,126	6,359		59,508	14,414	2,949	76,871
	268,299	198,406	48,837	13,829	79	529,450	90,881	43,386	663,717
Auto and travel	2,723	2,147	1,048	88		6,006	159	45	6,210
Childcare and educational	17,603	68	53			17,724	10		17,734
Contracted services	655	1,560				2,215			2,215
Food	9,020	12,500	34			21,554	155		21,709
Equipment and equipment rental	1,928	6,641	87	1,806		10,462	777	17	11,256
Insurance and taxes	5,271	17,602	1,520			24,393	16,293		40,686
Legal and professional	7,448	3,530	1,087	216	7	12,288	14,574	2,128	28,990
Maintenance and repairs	13,483	67,626	543	1,056		82,708	1,356		84,064
Supportive services	3,550	791	30	178		4,549		30	4,579
Office expense	2,841	2,821	742	129	27	6,560	1,792	2,200	10,552
Other expenses	3,077	786	3,208	22		7,093	9,003	300	16,396
In-kind rent	21,600	43,000				64,600	25,000		89,600
Program supplies	21,344	5,254	75	640		27,313		763	28,076
Telephone and utilities	21,634	29,383	2,517	100		53,634	8,115	331	62,080
Subtotal	400,476	392,115	59,781	18,064	113	870,549	168,115	49,200	1,087,864
Depreciation	20,175	52,800	22			72,997	1,861		74,858
TOTAL EXPENSES	$ 420,651	$ 444,915	$ 59,803	$ 18,064	$ 113	$ 943,546	$ 169,976	$ 49,200	$ 1,162,722

See accompanying notes.

VINCENT VILLAGE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2017 and 2016

	2017	2016
OPERATING ACTIVITIES		
Change in net assets	$ 599,057	$ 12,098
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	88,688	74,858
Donated property	(516,300)	
Change in value of beneficial interest	(1,275)	778
(Gain) loss on disposal of property and equipment	5,063	(1,485)
(Increase) decrease in current assets:		
Grants receivable	(2,500)	325
Prepaid expenses	(110)	(1)
Increase (decrease) in current liabilities:		
Accounts payable - trade	14,625	(11,975)
Accrued expenses and payroll withholdings	(4,535)	(4,531)
Deferred revenue	33,500	
Net Cash Provided by Operating Activities	216,213	70,067
INVESTING ACTIVITIES		
Purchases of property and equipment	(177,296)	(45,587)
Proceeds from sale of property and equipment		2,277
Net Cash Used by Investing Activities	(177,296)	(43,310)
NET INCREASE IN CASH	38,917	26,757
CASH		
Beginning of Year	125,855	99,098
End of Year	$ 164,772	$ 125,855
SUPPLEMENTAL DISCLOSURES		
Noncash investing activities:		
Donated property	$ 516,300	
In-kind expenses:		
Space rental	$ 56,834	$ 89,600
Professional services	20,340	42,625
Supplies and equipment	55,912	59,240
	$ 133,086	$ 191,465

See accompanying notes.

VINCENT VILLAGE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Vincent Village, Inc. is an Indiana nonprofit corporation operating since December 1, 1989. Vincent Village, Inc. serves homeless families with children and offers the following primary programs:

> *Vincent House* is a transitional shelter for homeless families primarily residing in Allen County, Indiana providing basic needs, advocacy, referrals, life skills training and supporting services.
>
> *Village Phase II Rental Home Program* offers independent, scattered site, single-family affordable housing for families who have successfully completed goals in the transitional shelter, are budgeting to pay monthly bills and are ready to move to independent living.
>
> *Youth and Family Services* coordinates comprehensive services for homeless children ages 0-17 living in four different shelters in the city of Fort Wayne addressing the physical, emotional and cognitive needs of homeless children.

Principles of Consolidation: The consolidated financial statements include the accounts of Vincent Village, Inc., Vincent House Community Housing Development Organization, Inc. and Vincent Village Affordable Housing, LLC (collectively, the Organization). Vincent House Community Housing Development Organization, Inc. (Affiliate) is an Indiana nonprofit corporation formed in 2006. Affiliate is a separate organization and exists for the sole purpose of developing affordable housing for Vincent Village, Inc. Vincent Village, Inc. controls and has an economic interest in Affiliate. Vincent Village Affordable Housing, LLC (Subsidiary) is an Indiana Limited Liability Company formed in 2017 as a wholly-owned subsidiary of Vincent Village, Inc. Subsidiary was formed to participate in a partnership, BW at Renaissance Pointe, LLC, with an unrelated third party to acquire and develop properties, through tax credit based financing, and provide transitional rental housing for the Organization's residents and eventually an affordable permanent housing option. Subsidiary exists for the sole purpose of developing affordable transitional permanent housing for the support of Vincent Village, Inc.'s mission. Subsidiary had no activity for the year ending June 30, 2017. All material intra-entity accounts and transactions have been eliminated in consolidation.

The Organization's primary sources of revenue are foundation grants, fundraising events, rental income and contributions.

Basis of Presentation: The consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and classify the Organization's activities and net assets based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

- ***Unrestricted Net Assets*** represent unrestricted resources available to support the Organization's operations.
- ***Temporarily Restricted Net Assets*** represent gifts that are subject to donor-imposed purpose or time restrictions that can be fulfilled either by actions of the Organization pursuant to those restrictions, with the passage of time, or both. Upon satisfaction of such restrictions, net assets are released from temporarily restricted net assets and recognized as unrestricted net assets.
- ***Permanently Restricted Net Assets*** are resources whose use is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates: The preparation of financial statements in accordance 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 disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash consists of cash on hand or in demand deposit accounts. The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Organization has not experienced any losses from its bank accounts.

Grants Receivable consist of unconditional promises to give that are expected to be collected in future years and grants classified as conditional promises to the extent that conditions have been met but reimbursement from the grantor has not yet been received. Grants receivable are reported as either temporarily or permanently restricted support unless explicit donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities of the current period. Management has evaluated grants receivable and deemed them to be fully collectible, therefore no allowance was necessary as of June 30, 2017 and 2016.

Property and Equipment: Expenditures for property and equipment are stated at cost for purchased assets, or at fair value at the date of donation for donated assets, less accumulated depreciation. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements	7-40 years
Equipment and furnishings	3-10 years
Vehicles	5 years

The Organization's property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets. To date, no adjustments to the carrying amount of property and equipment have been required.

Beneficial Interest in Assets Held by Community Foundation: The Organization established an endowment fund that is perpetual in nature with the Community Foundation of Greater Fort Wayne (Community Foundation) by transferring board designated and donor-restricted assets to the Community Foundation and naming itself as the beneficiary of the fund. The Organization granted variance power to the Community Foundation, which allows the Community Foundation to modify the terms of the fund if continued adherence to any condition or restriction is in the judgment of the Community Foundation's Board of Directors unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by the Community Foundation. The fund is held and invested by the Community Foundation for the benefit of the Organization, and the Organization may draw up to a certain percentage of the value each year, as specified in the Community Foundation's spending policy. The fund is reported at fair value in the consolidated statements of financial position, with distributions and changes in fair value recognized in the consolidated statements of activities. See Note 2 for discussion of fair value measurements.

Contributions and Grants are recognized as support and revenues when they are received or unconditionally pledged. The Organization reports such gifts as restricted support and revenues if they are subject to time or donor-imposed restrictions. Conditional contributions are not recorded as support and revenues until the conditions are met. Government contracts are classified as exchange transactions, which are reciprocal transfers between two entities in which goods and services of equal value are exchanged, and are not recognized until services are performed or allowable expenditures are incurred as specified in the contracts. Government contracts and certain other grants are subject to audit by the government or granting agency, and as a result of such audit, adjustments to revenue and support could be required.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-kind Contributions: Contributions of services are recorded at estimated fair value when received if such services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. Contributions of food, equipment, facilities and other goods are recorded at estimated fair value when received.

Special Event Revenue, including related sponsorship revenue and other contributions, is recognized upon occurrence of the event. The portion of a special event payment that is a contribution is recognized as revenue when received if the contribution is not conditional on the event taking place. Revenue and other support received for events occurring subsequent to the consolidated statement of financial position date is reflected as deferred revenue.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Directly identifiable expenses are charged to the specific programs and supporting services benefited. Expenses related to more than one function are allocated among program and support services based on space occupied, time spent by Organization's staff, or other estimates made by the Organization's management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes: Vincent Village, Inc. and Vincent House Community Housing Development Organization, Inc. (Affiliate) are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Vincent Village Affordable Housing, LLC (Subsidiary) is a single member limited liability company that is treated as a disregarded entity for federal and state income tax purposes. In addition, Vincent Village, Inc. and Affiliate have been determined by the Internal Revenue Service not to be private foundations within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income tax for the years ended June 30, 2017 and 2016.

Vincent Village, Inc. and Affiliate file U.S. federal and Indiana information or income tax returns. Vincent Village, Inc. and Affiliate are no longer subject to U.S. federal and state income tax examinations by tax authorities for fiscal years before 2014.

Reclassifications: Certain amounts in the 2016 consolidated financial statements have been reclassified to conform to the presentation of the 2017 consolidated financial statements.

Subsequent Events: Management has evaluated the consolidated financial statements for subsequent events occurring through December 12, 2017, the date the consolidated financial statements were available to be issued.

NOTE 2 - FAIR VALUE MEASUREMENTS

The Organization has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy. The hierarchy 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 or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

> ***Level 1*** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2 – Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Organization makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Assets Measured at Fair Value on a Recurring Basis: Following is a description of the valuation methodology used by the Organization for assets that are measured at fair value on a recurring basis. There have been no changes in the methodology used at June 30, 2017 and 2016.

Beneficial Interest in Community Foundation: Valued based on the Organization's proportionate share of the fair value of the underlying investments in the Community Foundation's pooled investment portfolio as a practical expedient, without adjustment. See Note 3 for additional information about the characteristics of these funds.

For those assets measured at fair value, management determines the fair value measurement policies and procedures. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

The preceding method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization's management believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of this asset could result in a different fair value measurement at the reporting date.

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Organization's assets that are measured at fair value on a recurring basis as of June 30, 2017 and 2016.

2017	**Level 3**	**Total**
Assets		
Beneficial Interest in Community Foundation	$15,200	$15,200
2016		
Assets		
Beneficial Interest in Community Foundation	$13,925	$13,925

At June 30, 2017 and 2016, the Organization had no other assets and no liabilities that are measured at fair value on a recurring basis.

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

Activity during the years ended June 30, 2017 and 2016 related to assets measured at fair value on a recurring basis using Level 3 valuation methodologies was as follows:

	Beneficial Interest In Community Foundation
Balance at June 30, 2015	$14,703
Change in value of beneficial interest	(778)
Balance at June 30, 2016	13,925
Change in value of beneficial interest	1,275
Balance at June 30, 2017	$15,200

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Organization's Level 3 assets, the valuation techniques used to measure the fair value of those assets, and the significant unobservable inputs and the ranges of values for those inputs.

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Basis or Range of Significant Input Values
2017				
Beneficial Interest in Community Foundation	$15,200	Fair value of underlying assets in Community Foundation	N/A	N/A
2016				
Beneficial Interest in Community Foundation	$13,925	Fair value of underlying assets in Community Foundation	N/A	N/A

NOTE 3 - ENDOWMENT

The Organization's donor-restricted and board designated endowment are held in a fund at the Community Foundation. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment, earnings from original gifts to be held in perpetuity, and any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The portion of the fund designated by the Board to function as an endowment is classified as unrestricted.

NOTE 3 - ENDOWMENT (CONTINUED)

Interpretation of Relevant Law

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was adopted by Indiana in 2007. The Organization interprets UPMIFA to permit the Organization to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund that the Organization determines is prudent for the uses, purposes, and duration of the endowment fund, unless there are explicit donor stipulations to the contrary. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

The endowment net asset compositions by type of fund as of June 30, 2017 and 2016 were as follows:

2017	**Unrestricted**	**Permanently Restricted**	**Total**
Board designated endowment fund	$12,542		$12,542
Donor-restricted endowment fund		$2,658	2,658
Total Funds	$12,542	$2,658	$15,200
2016			
Board designated endowment fund	$11,490		$11,490
Donor-restricted endowment fund		$2,435	2,435
Total Funds	$11,490	$2,435	$13,925

Activity in the endowment by net asset class for the years ended June 30, 2017 and 2016 is summarized as follows:

	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Endowment Funds at June 30, 2015	$11,920	$ 348	$2,435	$14,703
Change in value of beneficial interest	(430)	(348)		(778)
Endowment Funds at June 30, 2016	11,490		2,435	13,925
Change in value of beneficial interest	1,052		223	1,275
Endowment Funds at June 30, 2017	$12,542	$	$2,658	$15,200

NOTE 3 - ENDOWMENT (CONTINUED)

Return Objectives, Risk Parameters and Strategies

The Organization's objective for the endowment fund is to provide a predictable stream of funding for the programs supported by the endowment while maintaining the purchasing power of the endowment assets. The endowment has been invested in the Community Foundation; and therefore, asset management is governed by the investment policies and appropriations are limited to the spending policies of the Community Foundation.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy consistent with the policy of the Community Foundation and shall be designed to take into account total return concepts of investment and spending, with the goal of preserving the real spending power of the endowment over time while balancing the need for consistent spending to support the charitable and similar exempt purposes of such endowment.

NOTE 4 - GRANTS RECEIVABLE

Grants receivable consisted of the following at June 30, 2017 and 2016:

	2017	**2016**
J. Cox Family Foundation	$ 20,000	$ 30,000
Foellinger Foundation	45,000	40,000
Lutheran Foundation	28,600	28,600
Plymouth Congregational Church	1,250	1,250
St. Mary's Heritage Foundation	5,000	5,000
Auer Foundation		25,000
McMillen Foundation	12,500	
United Way	20,000	
	$132,350	$129,850

All grants are expected to be collected within one year as of June 30, 2017 and 2016.

NOTE 5 - PROPERTY AND EQUIPMENT

The Organization's property and equipment are as follows at June 30, 2017 and 2016:

	2017	**2016**
Buildings and improvements	$ 2,932,759	$2,308,187
Equipment and furnishings	286,971	240,341
Vehicles	61,024	44,185
	3,280,754	2,592,713
Less: Accumulated depreciation	(1,042,548)	(954,352)
Total Property and Equipment, Net	$ 2,238,206	$1,638,361

NOTE 6 - NET ASSETS

Board designated net assets consisted of funds designated by the Board of Directors for future purchase and maintenance of buildings and homes for the Organization. The balance designated as of June 30, 2017 and 2016 was $58,380 and $45,807, respectively.

NOTE 6 - NET ASSETS (CONTINUED)

Temporarily restricted net assets were released from restriction for the following purpose and time restrictions for the years ended June 30, 2017 and 2016:

	2017	2016
Purpose Restrictions:		
Education	$ 84	$ 8,498
Family enhancement	5,088	2,470
Fundraising events	32,600	200
Vincent House shelter and food	155,151	65,965
C.N.A. Scholarships	65	1,315
Capital improvements	117,417	21,955
Parent & Teacher Program	10,000	10,000
Restricted endowment		348
Pride program	3,935	1,265
H.O.M.E. Academy		12,105
Youth and family services	20,496	11,690
	345,186	135,811
Time Restrictions:		
Operations	68,600	40,000
	$413,436	$175,811

Temporarily restricted net assets were available for the following purpose and time restrictions as of June 30, 2017 and 2016:

	2017	2016
Purpose Restrictions:		
Education		$ 84
Family enhancement	$ 4,775	4,863
Fundraising events		32,600
Vincent House shelter and food	75,807	73,457
C.N.A. Scholarships	2,270	2,335
Capital improvements	15,830	348
Parent & Teacher Program	20,000	30,000
Pride program		1,335
Youth and family services	56,106	9,072
	174,788	154,094
	2017	**2016**
Time Restrictions:		
Operations	$ 32,300	$ 88,600
	$207,088	$242,694

NOTE 7 - LEASES

The building used as a shelter by Vincent Village, Inc. was owned by the Diocese of Fort Wayne-South Bend, Inc. (Diocese). An independent appraisal was acquired after all renovations were completed for purposes of establishing a fair rental. The Board concluded based on the appraisal and evaluation of similar rent charged for other properties in the area the fair rental value of $1,000 per month for the building. The Diocese donated the rent as in-kind space rental of $10,000 and $12,000 for the years ended June 30, 2017 and June 30, 2016, respectively.

NOTE 7 - LEASES (CONTINUED)

A second building was owned by the Diocese and has been renovated to be used by Vincent Village, Inc. as apartments. A fair rental value of $800 per month has been established by the Board. The Diocese donated the rent as in-kind space rental of $8,000 and $9,600 for the years ended June 30, 2017 and June 30, 2016, respectively.

The administrative offices of Vincent Village, Inc. are located at the St. Hyacinth's Community Center which was owned by The Diocese. The value was established by the Organization's Board and the Diocese based on the fair market value of similar space in the same geographic area. The Diocese donated the rent as in-kind space rental of $20,834 and $50,000 for the years ended June 30, 2017 and June 30, 2016, respectively.

In May of 2017, the above mentioned properties were donated to the Organization by the Diocese. The value of the properties was recorded as donated property in the consolidated statement of activities for the year ended June 30, 2017.

The Organization rents and utilizes a building for programming and maintenance from an unrelated third party. A fair rental value of $1,500 per month has been established by the Board. The unrelated third party donated the rent as in-kind space rental of $18,000 for the years ended June 30, 2017 and 2016.

The Organization received rents through lease agreements with two unrelated parties for the use of office space in the St. Hyacinth Community Center for the year ending June 30, 2016. These leases were not renewed for 2017. The Organization entered into an agreement with another organization (lessee) to hold space in the St. Hyacinth Community Center for lease upon the completion of renovations paid for by the lessee. The agreement requires payments of $1,000 per month until occupied by the lessee and is renewable on a monthly basis. Total revenue recognized from the above lease agreements was $11,000 and $41,250 for the years ended June 30, 2017 and 2016, respectively.

The Organization also receives rents from individuals and families for the use of rooms at Vincent House Shelter or houses located throughout Vincent Village. These rents are based on lease agreements renewed on an annual basis. Total revenue earned from these agreements was $126,766 and $120,411 for the years ended June 30, 2017 and 2016, respectively.

NOTE 8 - CONCENTRATION OF REVENUES

The Organization had one private foundation from which it received 12% and 11% of its total revenue and support, excluding in-kind donations, for the years ending June 30, 2017 and 2016, respectively.

NOTE 9 - PENSION PLAN

Vincent Village, Inc. provides a SIMPLE IRA plan which covers all employees and provides for a match of 3% of an employee's eligible compensation. All plan participants are permitted to make salary reduction contributions to the plan. The total contributions for the years ended June 30, 2017 and 2016 was $3,362 and $3,216, respectively.