

XAVIER MISSION, INC.
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022



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**XAVIER MISSION, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Xavier Mission, Inc.
New York, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Xavier Mission, Inc. (a New York nonprofit organization) (the Organization), which comprise the statements of financial position as of August 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows 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 financial position of Xavier Mission, Inc. as of August 31, 2023 and 2022, and the changed in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 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 GAAS, 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 the Organization'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 the Organization'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.



CliftonLarsonAllen LLP

Livingston, New Jersey
February 9, 2024

**XAVIER MISSION, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2023 AND 2022**

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 315,959	\$ 353,933
Grants and Other Receivables	6,100	28,000
Total Current Assets	322,059	381,933
NONCURRENT ASSETS		
Property and Equipment, Net	220,104	101,416
Total Assets	\$ 542,163	\$ 483,349
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 34,903	\$ 70,872
Deferred Grant Income	-	41,882
Total Liabilities	34,903	112,754
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without Donor Restrictions	507,260	320,595
With Donor Restrictions	-	50,000
Total Net Assets	507,260	370,595
Total Liabilities and Net Assets	\$ 542,163	\$ 483,349

See accompanying Notes to Financial Statements.

XAVIER MISSION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED AUGUST 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 518,630	\$ 18,000	\$ 536,630	\$ 299,784	\$ 17,100	\$ 316,884
Mission Collections	21,375	-	21,375	15,999	-	15,999
Special Events	440,922	1,950	442,872	410,281	58,788	469,069
In-Kind Donations	373,379	-	373,379	382,080	-	382,080
Foundation and Private Grants	239,044	117,500	356,544	176,111	90,000	266,111
Government Grants	197,123	-	197,123	144,330	-	144,330
Interest Income	207	-	207	293	-	293
Loss on Disposal	-	-	-	(33,316)	-	(33,316)
Net Assets Released from Restriction	187,450	(187,450)	-	215,888	(215,888)	-
Total Support and Revenue	<u>1,978,130</u>	<u>(50,000)</u>	<u>1,928,130</u>	<u>1,611,450</u>	<u>(50,000)</u>	<u>1,561,450</u>
EXPENSES						
Program Services	1,302,667	-	1,302,667	1,224,717	-	1,224,717
Fundraising	108,632	-	108,632	115,853	-	115,853
Management and General	380,166	-	380,166	288,328	-	288,328
Total Expenses	<u>1,791,465</u>	<u>-</u>	<u>1,791,465</u>	<u>1,628,898</u>	<u>-</u>	<u>1,628,898</u>
CHANGES IN NET ASSETS	186,665	(50,000)	136,665	(17,448)	(50,000)	(67,448)
Net Assets - Beginning of Year	<u>320,595</u>	<u>50,000</u>	<u>370,595</u>	<u>338,043</u>	<u>100,000</u>	<u>438,043</u>
NET ASSETS - END OF YEAR	<u>\$ 507,260</u>	<u>\$ -</u>	<u>\$ 507,260</u>	<u>\$ 320,595</u>	<u>\$ 50,000</u>	<u>\$ 370,595</u>

See accompanying Notes to Financial Statements.

XAVIER MISSION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED AUGUST 31, 2023 AND 2022

	2023				2022			
	Program Services	Fundraising	Management and General	Total	Program Services	Fundraising	Management and General	Total
Salaries and Payroll Taxes	\$ 297,961	\$ 35,413	\$ 166,089	\$ 499,463	\$ 275,399	\$ 61,401	\$ 95,008	\$ 431,808
Fringe Benefits	34,537	4,105	19,252	57,894	33,103	7,380	11,420	51,903
Meals and Beverages	392,591	-	-	392,591	422,364	-	-	422,364
Financial Assistance to Clients	240,550	-	-	240,550	193,461	-	-	193,461
Communications	-	-	20,609	20,609	46	-	8,975	9,021
Local Transportation	-	-	6,736	6,736	-	-	6,627	6,627
Office Supplies	1,306	-	12,406	13,712	658	-	25,212	25,870
Postage	-	-	1,372	1,372	58	-	1,035	1,093
Processing Fees	-	-	20,508	20,508	-	-	17,446	17,446
Accounting and Auditing	-	-	19,000	19,000	-	-	18,000	18,000
Professional Fees	57,870	20,599	48,532	127,001	38,942	26,763	48,700	114,405
Program Supplies and Expense	104,243	742	2,772	107,757	78,104	1,274	3,663	83,041
Special Events Expense	-	35,013	-	35,013	-	4,366	-	4,366
Repairs and Maintenance	20,593	-	-	20,593	27,511	-	-	27,511
Partner Payments	-	-	-	-	-	-	1,023	1,023
In-Kind Rent	153,016	12,760	44,656	210,432	155,071	14,669	40,726	210,466
Total Expenses Before Depreciation	<u>1,302,667</u>	<u>108,632</u>	<u>361,932</u>	<u>1,773,231</u>	<u>1,224,717</u>	<u>115,853</u>	<u>277,835</u>	<u>1,618,405</u>
Depreciation	<u>-</u>	<u>-</u>	<u>18,234</u>	<u>18,234</u>	<u>-</u>	<u>-</u>	<u>10,493</u>	<u>10,493</u>
Total Expenses by Function	<u>\$ 1,302,667</u>	<u>\$ 108,632</u>	<u>\$ 380,166</u>	<u>\$ 1,791,465</u>	<u>\$ 1,224,717</u>	<u>\$ 115,853</u>	<u>\$ 288,328</u>	<u>\$ 1,628,898</u>

See accompanying Notes to Financial Statements.

**XAVIER MISSION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 136,665	\$ (67,448)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	18,234	10,493
Loss on Disposal	-	33,316
Changes in Operating Assets and Liabilities:		
Grants Receivable	21,900	13,156
Accounts Payable and Accrued Expenses	(35,969)	41,919
Deferred Grant Income	(41,882)	41,882
Net Cash Provided by Operating Activities	98,948	73,318
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(136,922)	(85,811)
 NET CHANGE IN CASH AND CASH EQUIVALENTS	(37,974)	(12,493)
 Cash and Cash Equivalents - Beginning of Year	353,933	366,426
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 315,959	\$ 353,933

See accompanying Notes to Financial Statements.

XAVIER MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Founded in 2012, Xavier Mission, Inc. (Organization) is a nonprofit organization committed to serving the community through the provision of social services to the homeless, poor, and those in need of material and human support, including:

- Providing food to individuals and families in order to address the immediate needs or hunger;
- Providing casual and business clothing and personal hygiene products to individuals in order to meet their basic daily hygiene needs, as well as to assist individuals in seeking employment;
- Conducting life-skills training programs for homeless individuals in order to assist them in successfully transitioning from homelessness to permanent housing; and,
- Providing assistance with basic financial needs to struggling families and individuals.

The Organization has an office in New York City and is supported primarily through public contributions, as well as collections made in St. Francis Xavier Church in New York.

Basis of Accounting

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

Financial Statement Presentation

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Also, other net assets subject to donor-imposed stipulations 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 any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents represent cash invested in interest and noninterest-bearing accounts.

XAVIER MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Other Receivables

Grants and other receivables are recorded at the amount billed to funding agencies. The Organization utilizes the reserve method of accounting for doubtful accounts. The reserves are based on historical experience and management's evaluation of outstanding receivables at the end of each year. As of August 31, 2023 and 2022, no allowance was deemed necessary.

Property and Equipment

Property and equipment purchases greater than \$1,000 that extend the useful lives greater than one year are capitalized and recognized in the statements of financial position at cost. Donated property and equipment are recorded at fair value on the date of donation.

Depreciation is recorded over the estimated useful lives of such assets as follows.

	<u>Method</u>	<u>Estimated Useful Life</u>
Kitchen Equipment	Straight-Line	5 to 7 Years
Furniture and Fixtures	Straight Line	3 to 5 Years
Computers	Straight-Line	3 to 5 Years

When assets are retired, or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statements of activities and changes in net assets for the period. Maintenance, repairs, and minor replacements that do not improve or extend the life of an asset are expensed as incurred.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Revenue from government grants is considered a conditional contribution and is not recognized until the conditions related to this revenue are substantially met, or explicitly waived. Cash received in advance of revenue is reported as refundable advance.

Donated Services

Amounts are reported in the financial statements for voluntary donations of services when those services create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills and which would typically be purchased if not provided by donation. Donated services are recorded as contributions at their estimated fair value at the date of donation. No donated services were recorded during the fiscal years ended August 31, 2023 and 2022.

XAVIER MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services (Continued)

The Organization also regularly receives services from volunteers who are not acting in a professional capacity; such volunteer services do not meet the criteria for financial statement recognition and are not included in the financial statements.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during the fiscal years ended 2023 and 2022. At August 31, 2023 and 2022, there are no significant income tax uncertainties.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

Adoption of New Accounting Standard-Leases

In February 2016, the Financial Accounting Standards Board issued accounting Standards Update 2016-02, Leases (ASC 842). The new standard increases transparency and comparability among organizations requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. Most prominent of the changes is the recognition of ROU asset and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective September 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. The Organization does not have leases for the years ended August 31, 2023 and 2022.

**XAVIER MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022**

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, the Organization has evaluated subsequent events through February 9, 2024, the date on which the financial statements were available to be issued.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	<u>2023</u>	<u>2022</u>
Kitchen Equipment	\$ 380,764	\$ 224,727
Computers	11,150	11,150
Construction in Process	-	19,115
Total	<u>391,914</u>	<u>254,992</u>
Less: Accumulated Depreciation	<u>(171,810)</u>	<u>(153,576)</u>
Property and Equipment, Net	<u>\$ 220,104</u>	<u>\$ 101,416</u>

NOTE 3 CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets received during the years ended August 31 consisted of the following:

	<u>2023</u>	<u>2022</u>
Food	\$ 95,319	\$ 156,614
Clothing	67,628	15,000
Rent	210,432	210,466
Total	<u>\$ 373,379</u>	<u>\$ 382,080</u>

Contributed Nonfinancial Asset

Food
Clothing
Rent

Valuation Techniques and Inputs

Estimates based on retail values for similar products
Estimates based on retail values for similar products
Estimates based on rental rates for similar properties in the same geographical market

The Organization receives donated rent from St. Francis Xavier Church for the use of office and storage space that resides within the administrative offices of St. Francis Xavier Church and the use of program and storage space that resides within the facility of St. Francis Xavier Church. The Organization also receives donations of food and clothing from various donors and organizations. The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization.

All gifts-in-kind received by the Organization for the years ended August 31, 2023 and 2022 were considered without donor restrictions and able to be used by the Organization as determined by management.

XAVIER MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 4 FUNCTIONAL EXPENSES

The costs of providing the Organization's program services, fundraising, and management and general are separately summarized in the statements of functional expenses. Accordingly, certain costs have been allocated among those program services, fundraising, and management and general. Management and general costs include those expenses that are not directly identifiable with any other specific function but do provide for the overall support and direction of the Organization.

The financial statements contain certain categories of expense that are attributed to more than one supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and related payroll expenses and fringe benefits are allocated based on time and effort. All other categories are direct costs.

NOTE 5 RELATED PARTIES

The President of Xavier Mission, Inc. and the chair of the board of members is the Pastor of the Church of St. Francis Xavier.

NOTE 6 CONCENTRATIONS

The Organization maintains a cash balance at a financial institution. At times, the balance may exceed insured limits.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$50,000 as of August 31, 2022 were available for the financial assistance program in future periods. There were no net assets with donor restrictions as of August 31, 2023.

Net assets released from restrictions of \$187,450 and \$215,888, respectively, for the years ended August 31, 2023 and 2022 relate to various programs and program related capital expenses.

**XAVIER MISSION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022**

NOTE 8 LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 315,959	\$ 353,933
Grants Receivable, Net	6,100	28,000
Total Financial Assets	<u>322,059</u>	<u>381,933</u>
Less: Amounts not Available to be Used Within One Year:		
Net Assets With Donor Restrictions	-	(50,000)
Estimated Releases from Donor Restrictions	<u>-</u>	<u>50,000</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ 322,059</u>	<u>\$ 381,933</u>

The Organization's goal is to maintain financial assets to meet operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization's strategic plan sets a goal of building a cash reserve equal to six months of operating expenses, or approximately \$391,000.