



**Shreveport-Bossier
Rescue Mission, Inc.**

FINANCIAL STATEMENTS
Years Ended June 30, 2018 and 2017

Shreveport-Bossier Rescue Rescue Mission, Inc.

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8585 Business Park Drive
Shreveport, Louisiana 71105
Phone: 318.219.5020
Fax: 318.798.1917
info@jkmcpas.biz

Independent Auditor's Report

To the Board of Directors
Shreveport-Bossier Rescue Mission, Inc.
Shreveport, Louisiana

I have audited the accompanying financial statements of Shreveport-Bossier Rescue Mission, Inc., which comprise the statements of financial position for the years ended June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and summary of significant accounting policies and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shreveport-Bossier Rescue Mission, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Revenues and Expenses for Thrift Store and Enterprise Operations on page 19 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 for the period ended June 30, 2018 and 2017 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Tans R. McChesney, CPA LLC

Certified Public Accountant

Shreveport, Louisiana
July 31, 2019

Shreveport-Bossier Rescue Mission, Inc.

Statements of Financial Position

<i>June 30,</i>	2018	2017
Assets		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 740,020	\$ 621,797
Prepaid expenses	-	8,166
Total current assets	740,020	629,963
Property and equipment, net (Notes 3 and 5)	3,699,824	3,823,811
Long-term investments (Notes 2 and 6)	1,045,562	956,770
Total Assets	\$5,485,406	\$5,410,544
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 13,312	\$ 12,626
Current portion of long-term debt (Note 5)	96,230	91,592
Total current liabilities	109,542	104,218
Long-term debt (Note 5)	984,017	1,079,972
Total Liabilities	1,093,559	1,184,190
Net assets:		
Unrestricted	4,341,847	4,176,354
Temporarily restricted (Note 9)	50,000	50,000
Total net assets	4,391,847	4,226,354
Total Liabilities and Net Assets	\$5,485,406	\$5,410,544

See accompanying summary of accounting policies and notes to financial statements.

Shreveport-Bossier Rescue Mission, Inc.

Statements of Activities

Years Ended June 30,	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue:						
Contributions (Note 7)	\$1,541,786	\$ -	\$1,541,786	\$1,561,863	\$ -	\$1,561,863
Thrift store and enterprise operations	369,564	-	369,564	433,622	-	433,622
Program service revenue	192,354	-	192,354	188,184	-	188,184
Charitable gift fund	82,855	-	82,855	62,490	-	62,490
Fundraising	66,209	-	66,209	60,958	-	60,958
Investment income (Note 2)	56,987	-	56,987	59,151	-	59,151
Grants (Note 8)	20,508	-	20,508	13,148	-	13,148
Miscellaneous income	5,070	-	5,070	6,337	-	6,337
Rental income	-	-	-	3,663	-	3,663
Total revenue	2,335,333	-	2,335,333	2,389,416	-	2,389,416
Expenses:						
Program services	1,025,042	-	1,025,042	1,084,575	-	1,084,575
General and administrative	445,359	-	445,359	463,917	-	463,917
Fundraising	369,962	-	369,962	306,882	-	306,882
Thrift store and enterprise operations	329,477	-	329,477	341,153	-	341,153
Total expenses	2,169,840	-	2,169,840	2,196,527	-	2,196,527
Increase in net assets	165,493	-	165,493	192,889	-	192,889
Net assets, beginning of year	4,176,354	50,000	4,226,354	3,983,465	50,000	4,033,465
Net assets, end of year	\$4,341,847	\$50,000	\$4,391,847	\$4,176,354	\$50,000	\$4,226,354

See accompanying summary of accounting policies and notes to financial statements.

2018

<i>Years Ended June 30,</i>	Program Services	General and Administrative	Fundraising	Thrift Store and Enterprise Operations	Total Expenses
Expenses:					
Advertising	\$ 4,164	\$ 11,272	\$229,495	\$ -	\$ 244,931
Building and maintenance	46,193	17,553	-	28,639	92,385
Depreciation	97,558	8,679	3,720	14,030	123,987
Dues and subscriptions	2,478	5,397	6,709	-	14,584
Insurance	124,844	35,670	15,853	21,798	198,165
Interest and service charges	-	65,103	244	2,468	67,815
Miscellaneous	28,709	1,537	9,741	11,279	51,266
Payroll	486,676	220,954	62,540	190,501	960,671
Printing and postage	82	7,670	408	-	8,160
Professional fees	-	38,210	-	-	38,210
Special events	-	-	41,252	-	41,252
Supplies	107,478	10,468	-	26,049	143,995
Telephone, television and utilities	119,093	17,404	-	29,417	165,914
Vehicle operations	7,767	5,442	-	5,296	18,505
Total expenses	\$1,025,042	\$445,359	\$369,962	\$329,477	\$2,169,840

Shreveport-Bossier Rescue Mission, Inc.

Statements of Functional Expenses

2017				
Program Services	General and Administrative	Fundraising	Thrift Store and Enterprise Operations	Total Expenses
\$ 7,311	\$ 12,374	\$175,793	\$ -	\$ 195,478
27,431	10,424	-	17,007	54,862
108,955	9,565	4,100	14,030	136,650
3,722	8,100	10,070	-	21,892
125,454	35,844	15,930	21,905	199,133
-	55,605	209	2,108	57,922
32,673	1,750	11,085	12,836	58,344
539,573	244,970	69,336	211,207	1,065,086
107	10,062	535	-	10,704
-	41,059	-	-	41,059
-	-	19,824	-	19,824
106,577	10,381	-	25,830	142,788
124,874	18,249	-	30,844	173,967
7,898	5,534	-	5,386	18,818
\$1,084,575	\$463,917	\$306,882	\$341,153	\$2,196,527

See accompanying summary of accounting policies and notes to financial statements.

Shreveport-Bossier Rescue Rescue Mission, Inc.

Statements of Cash Flows

Years Ended June 30,	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Cash Flows From Operating Activities:						
Increase in net assets	\$165,493	\$ -	\$165,493	\$192,889	\$ -	\$192,889
Adjustments to reconcile change in net assets to net cash provided by operating activities:						
Depreciation	123,987	-	123,987	136,650	-	136,650
Net realized and unrealized gains on investments	(38,285)	-	(38,285)	(41,351)	-	(41,351)
Noncash gifts	(32,195)	-	(32,195)	(28,558)	-	(28,558)
Change in operating assets and liabilities:						
Prepaid expenses	8,166	-	8,166	(8,166)	-	(8,166)
Accounts payable and accrued liabilities	686	-	686	(14,852)	-	(14,852)
Net cash used by operating activities	227,852	-	227,852	236,612	-	236,612
Cash Flows From Investing Activities:						
Purchase of property and equipment	-	-	-	(19,436)	-	(19,436)
Net purchase of investments	(18,312)	-	(18,312)	(16,836)	-	(16,836)
Net cash used by investing activities	(18,312)	-	(18,312)	(36,272)	-	(36,272)
Cash Flows From Financing Activities -						
Payments on note payable	(91,317)	-	(91,317)	(86,870)	-	(86,870)
Net cash used by financing activities	(91,317)	-	(91,317)	(86,870)	-	(86,870)
Net increase in cash	118,223	-	118,223	113,470	-	113,470
Cash, at beginning of year	621,797	-	621,797	508,327	-	508,327
Cash, at end of year	\$740,020	\$ -	\$740,020	\$621,797	\$ -	\$621,797

See accompanying summary of accounting policies and notes to financial statements.

Shreveport-Bossier Rescue Mission, Inc.

Summary of Significant Accounting Policies

Business

The Shreveport-Bossier Rescue Mission (the Mission) is a nonprofit corporation organized under the laws of the State of Louisiana on a nonstock basis having one class of member. The Shreveport-Bossier Rescue Mission is incorporated as a nonprofit rehabilitation and educational program for disadvantaged men, women and children.

Substantially all of the Mission's revenue is from the contributions from individuals, businesses and churches. Accordingly, the Mission is heavily dependent on the local community and stability of the local economy in which it operates.

Basis of Presentation

Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets are classified into one of the following categories:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Mission. Restricted assets received and expended in the same year are classified as unrestricted.

Temporarily Restricted – Net assets whose use by the Mission is subject to donor-imposed stipulations that can be fulfilled by actions of the Mission pursuant to those stipulations or that expire through the passage of time.

Permanently Restricted – Net assets whose use by the Mission is subject to donor-imposed stipulations that assets be maintained permanently by the Mission. The donors of these assets permit the Mission to use all or part of the investment return of these assets for continuing operations which may be subject to certain restrictions.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as transfers between the applicable classes of net assets. Gains and losses on investments and other assets and liabilities are reported as increases and decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law.

Shreveport-Bossier Rescue Mission, Inc.

Summary of Significant Accounting Policies

(Continued)

Use of Estimates

The preparation of financial statements in conformity 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 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. Significant estimates made by management include the depreciable life of assets and valuation of investments.

Property and Equipment

Beginning in 1994, the Mission began capitalizing the acquisition cost of land, buildings, furniture and equipment. Acquisitions in prior years were expensed in the year of acquisition.

Depreciation expense is calculated based upon the assets' estimated useful lives using the straight-line method. Useful lives at June 30, 2018 are as follows:

Buildings and renovations	40 years
Furniture and equipment	5-10 years
Transportation equipment	5 years
Software	5 years

Liabilities

Unremitted withheld payroll taxes and unremitted sales tax collected from customers of the Thrift Store are recognized as liabilities on the Statement of Financial Position.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

Revenue Recognition

Unrestricted contributions and grants are recognized as revenue in the period in which the donation is received or the grant is due and payable to the Mission.

Shreveport-Bossier Rescue Rescue Mission, Inc.

Summary of Significant Accounting Policies

(Continued)

Revenue Recognition (concluded)

The Mission reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The net change in assets of other funds are reported as offsetting revenue (expense) solely to simplify financial statement presentation. Restricted donations on which the restriction expires in the same period as the revenue is recognized are reported as unrestricted revenues.

Support arising from donated goods, property and services is recognized in the financial statements at its fair value.

Allowance for Doubtful Accounts

The Mission records an allowance for doubtful accounts based on specifically identified amounts believed to be uncollectible. Any unanticipated change in one of those customers' credit worthiness or other matters affecting collectability of amounts due from such customers could have a material effect on the Mission's results of operations in the period in which such changes or events occur. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. At June 30, 2018 and 2017, the Mission had no accounts receivable, accordingly the allowance for doubtful accounts totaled \$0 and \$0 respectively.

Income Taxes

The Mission is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from state income tax under appropriate provisions in the laws of the State of Louisiana.

The Mission has adopted ASC 740, Accounting for Uncertainty in Income Taxes. Management has evaluated the Mission's tax positions and concluded that the Mission has taken no uncertain tax positions that require adjustment to the financial statements in order to comply with the provisions of ASC 740. In addition, Management is not aware of any matters that would cause the Mission to lose its tax-exempt status. Tax returns for the fiscal years ended 2016 to 2018 remain subject to examination by taxing authorities.

Shreveport-Bossier Rescue Rescue Mission, Inc.

Summary of Significant Accounting Policies

(Concluded)

**Statements of
Cash Flows**

For purposes of the statements of cash flows, the Mission considers all cash in bank accounts and highly liquid debt instruments, not retained for long-term investment purposes, with an original or remaining maturity of three months or less, to be cash equivalents. Highly liquid debt instruments with remaining lives in excess of three months are classified as short-term investments.

Functional Expenses

Functional expenses have been allocated between Program Services, General and Administrative, Fundraising and Thrift Store and Enterprise Operations based on an analysis of personnel time and space utilized for the related activities.

**Advertising and
Development Costs**

The Mission expenses advertising as it is incurred. The Mission expended approximately \$244,931 and \$195,478 in the years ended June 30, 2018 and 2017, respectively, for advertising.

Subsequent Events

Management evaluated events subsequent to the Mission's most recent year end through July 31, 2019, the date the financial statements were available for issuance.

Shreveport-Bossier Rescue Mission, Inc.

Notes to Financial Statements

1. Cash

The Mission, at times, maintains deposits in federally insured financial institutions in excess of federally insured limits. At June 30, 2018, cash included approximately \$507,840 in collected bank balances that exceeded the FDIC limit. Management monitors the soundness of these financial institutions and feels the Mission's risk is negligible.

2. Investments

The value of the investments at June 30, 2018 and 2017 is summarized as follows:

June 30,	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Total investments	\$946,422	\$1,045,562	\$899,769	\$956,770

The following schedule summarizes the investment return and its classification in the statement of activities:

June 30, 2018	Unrestricted	Temporarily		Total
		Restricted		
Interest income	\$ 1,392	\$ -		\$ 1,392
Dividends	26,972	-		26,972
Net realized and unrealized gains	38,285	-		38,285
Royalties	390	-		390
Investment expense	(10,052)	-		(10,052)
Total return on investments	\$ 56,987	\$ -		\$ 56,987

June 30, 2017	Unrestricted	Temporarily		Total
		Restricted		
Interest income	\$ 185	\$ -		\$ 185
Dividends	25,685	-		25,685
Net realized and unrealized gains	41,351	-		41,351
Royalties	964	-		964
Investment expense	(9,034)	-		(9,034)
Total return on investments	\$59,151	\$ -		\$59,151

Shreveport-Bossier Rescue Rescue Mission, Inc.

Notes to Financial Statements (Continued)

3. Property and Equipment

The major classifications of property and equipment for the years ended June 30, 2018 and 2017 were as follows:

	2018	2017
Buildings and renovations	\$4,360,428	\$4,360,428
Furniture and equipment	527,209	527,209
Transportation equipment	84,338	84,338
Software	12,209	12,209
Land	519,864	519,864
	5,504,048	5,504,048
Less accumulated depreciation and amortization	1,804,224	1,680,237
Net property and equipment	\$3,699,824	\$3,823,811

4. Donated Materials, Equipment and Services

During the course of operations, the Mission receives donations of material and equipment from many business and individuals. While the Mission recognized the importance of the volunteers and the donated material and equipment, no objective basis for valuation of these items was determined and they are not included in the financial statements.

5. Long-Term Debt

Long-term debt consists of the following at June 30:

	2018	2017
Note payable for facilities due 9/21/2021; and bears a 4.95% interest rate. Monthly payments of \$12,319 through 8/12/2021 and a balloon payment of \$776,825 upon maturity. Demand feature waived through June 30, 2019. Collateralized by a building.	\$1,080,247	\$1,171,564
Less current maturities of long-term debt	(96,230)	(91,592)
Long-term debt less current portion	\$ 984,017	\$1,079,972

(Continued)

Shreveport-Bossier Rescue Rescue Mission, Inc.

Notes to Financial Statements (Continued)

5. Long-term Debt – (continued)

The amount of interest for 2018 and 2017 was \$56,512 and \$48,649 respectively.

Schedule of maturities is as follows:

Year Ended June 30,	Amount
2019	\$ 96,230
2020	101,103
2021	105,815
2022	777,099
Total	\$1,080,247

6. Fair Value Disclosures

The Mission utilizes fair value measurements to record certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of further cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

FASB Accounting Standards Codification Topic 820, *Fair Value Measurements*, establishes a three-tier hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the Fair has the ability to access.

Shreveport-Bossier Rescue Mission, Inc.

Notes to Financial Statements (Continued)

6. Fair Value Disclosures - (continued)

Level 2 – Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that generally include situations where there is little, if any, market activity of the investment. The inputs into determination of fair value require significant management judgement or estimation.

Fair values of assets measured on a recurring basis at June 30, 2018 and 2017 are as follows:

Asset at Fair Value as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
Money Market	\$ 155,844	\$ -	\$ -	\$ 155,844
Common Stock	541,204	-	-	541,204
Mutual Funds	263,888	-	-	263,888
Fixed Income	84,626	-	-	84,626
Total	\$1,045,562	\$ -	\$ -	\$1,045,562

Asset at Fair Value as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Money Market	\$101,689	\$ -	\$ -	\$101,689
Common Stock	500,545	-	-	500,545
Mutual Funds	310,338	-	-	310,338
Fixed Income	44,198	-	-	44,198
Total	\$956,770	\$ -	\$ -	\$956,770

Shreveport-Bossier Rescue Rescue Mission, Inc.

Notes to Financial Statements (Concluded)

7. Contributions Received

During the years ended June 30, 2018 and 2017, contributions were received from the following sources:

	2018	2017
Unrestricted		
Individuals	\$1,089,641	\$1,016,494
Businesses and organizations	323,756	352,417
Churches and church groups	86,114	96,418
Memorials, honorariums and bequest	10,080	67,976
Stocks and investments	32,195	28,558
Total contributions received	\$1,541,786	\$1,561,863

8. Grants Received

	2018	2017
United Way of Northwest Louisiana	\$ 7,500	\$ -
Community Foundation of North Louisiana	5,800	10,433
Other	7,208	2,715
Total	\$20,508	\$13,148

9. Temporarily Restricted Net Assets

Funds included in temporarily restricted net assets are to be used to establish new programs.

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Shreveport-Bossier Rescue Rescue Mission, Inc.

Statements of Revenues and Expenses for Thrift Store and Enterprise Operations

<i>Years Ended June 30,</i>	2018	2017
Revenues -		
Sales	\$369,564	\$433,622
Total revenues	369,564	433,622
Expenses:		
Payroll	190,501	211,207
Telephone, television and utilities	29,417	30,844
Building and maintenance	28,639	17,007
Supplies	26,049	25,830
Insurance	21,798	21,905
Depreciation	14,030	14,030
Miscellaneous	11,279	12,836
Vehicle operations	5,296	5,386
Interest and service charges	2,468	2,108
Total expenses	329,477	341,153
Net increase from Thrift Store and Enterprise Operations	\$ 40,087	\$ 92,469