



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

---

**FINANCIAL STATEMENTS**  
Years Ended June 30, 2019 and 2018

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Contents

<b>Independent Auditor's Report</b>	3-4
<b>Financial Statements</b>	
Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses	7
Statements of Cash Flows	8
Summary of Significant Accounting Policies	9-13
Notes to Financial Statements	14-22
<b>Supplemental Material</b>	
Statements of Revenues and Expenses for Thrift Store and Enterprise Operations	23



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 the Shreveport-Bossier Rescue Mission, Inc., which comprise the statements of financial position for the years ended June 30, 2019 and 2018, 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 the Shreveport-Bossier Rescue Mission, Inc. as of June 30, 2019 and 2018, 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 23 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, 2019 and 2018 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.

### ***Emphasis of Matter***

As discussed in Note 12 to the financial statements, the Shreveport-Bossier Rescue Mission adopted new accounting pronouncements for the years ended December 31, 2019 and 2018. My opinion is not modified with respect to this matter.

*Jane K. McChellad, CPA LLC*

Certified Public Accountant

Shreveport, Louisiana  
March 5, 2021

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Statements of Financial Position

June 30, 2019    2018 (Restated)

### Assets

#### Current assets:

Cash and cash equivalents, unrestricted (Note 1)	\$ 847,541	\$ 690,020
Cash and cash equivalents, restricted (Note 1 and 10)	50,000	50,000
Prepaid expenses	22,828	16,497

Total current assets 920,369    756,517

Property and equipment, net (Notes 3 and 4) 3,586,391    3,699,824

Long-term investments (Notes 2 and 6) 1,125,398    1,045,562

**Total Assets** **\$5,632,158**    \$5,501,903

### Liabilities and Net Assets

#### Current liabilities:

Accounts payable and accrued liabilities	\$ 24,450	\$ 13,312
Current portion of long-term debt (Note 5)	101,103	96,230

Total current liabilities 125,553    109,542

Long-term debt (Note 5) 883,152    984,017

Total Liabilities 1,008,705    1,093,559

Commitments (Note 9)

#### Net assets:

Without donor restrictions	4,573,453	4,358,344
With donor restrictions (Note 10)	50,000	50,000

Total net assets 4,623,453    4,408,344

**Total Liabilities and Net Assets** **\$5,632,158**    \$5,501,903

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

# Shreveport-Bossier Rescue Mission, Inc.

## Statements of Activities

Years Ended June 30,	2019			2018 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue:</b>						
Contributions (Note 7)	\$1,415,457	\$ -	\$1,415,457	\$1,541,786	\$ -	\$1,541,786
Thrift store and enterprise operations	295,818	-	295,818	369,564	-	369,564
Program service revenue	164,672	-	164,672	192,354	-	192,354
Charitable gift fund	92,888	-	92,888	82,855	-	82,855
Return on investments, net (Note 2)	78,769	-	78,769	56,987	-	56,987
Fundraising	54,783	-	54,783	66,209	-	66,209
Grants (Note 8)	31,190	-	31,190	20,508	-	20,508
Gain on sale of asset	22,230	-	22,230	-	-	-
Miscellaneous income	3,257	-	3,257	5,070	-	5,070
<b>Total revenue</b>	<b>2,159,064</b>	<b>-</b>	<b>2,159,064</b>	<b>2,335,333</b>	<b>-</b>	<b>2,335,333</b>
<b>Expenses:</b>						
Client services	749,123	-	749,123	851,005	-	851,005
Thrift store and enterprise operations	223,679	-	223,679	277,536	-	277,536
Management and general	604,789	-	604,789	663,122	-	663,122
Fundraising	366,364	-	366,364	379,482	-	379,482
<b>Total expenses</b>	<b>1,943,955</b>	<b>-</b>	<b>1,943,955</b>	<b>2,171,145</b>	<b>-</b>	<b>2,171,145</b>
<b>Increase in net assets</b>	<b>215,109</b>	<b>-</b>	<b>215,109</b>	<b>164,188</b>	<b>-</b>	<b>164,188</b>
<b>Net assets, beginning of year, restated (Note 14)</b>	<b>4,358,344</b>	<b>50,000</b>	<b>4,408,344</b>	<b>4,194,156</b>	<b>50,000</b>	<b>4,244,156</b>
<b>Net assets, end of year</b>	<b>\$4,573,453</b>	<b>\$50,000</b>	<b>\$4,623,453</b>	<b>\$4,358,344</b>	<b>\$50,000</b>	<b>\$4,408,344</b>

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

2019

Years Ended June 30,	Program Activities		Supporting Activities		Total Expenses
	Client Services	Thrift Store and Enterprise Operations	Management and General	Fundraising	
<b>Expenses:</b>					
Advertising	\$ -	\$ -	\$ 14,291	\$ 3,332	\$ 17,623
Bank fees and service charges	430	878	6,606	-	7,914
Building and maintenance	49,113	24,494	7,967	-	81,574
Client service expenses	12,715	300	-	-	13,015
Depreciation	47,651	14,228	38,470	23,304	123,653
Dues and subscriptions	4,498	-	3,382	7,728	15,608
Information technology	5,979	1,768	2,710	1,825	12,282
Insurance, health	-	-	76,523	-	76,523
Insurance, property and casualty	-	-	116,381	-	116,381
Interest	-	-	51,838	-	51,838
Lease expense	2,221	14,908	7,399	-	24,528
Merchandise for resale	-	22,852	-	-	22,852
Miscellaneous	3,703	792	747	253	5,495
Payroll and payroll taxes	413,852	106,426	210,422	62,785	793,485
Printing and postage	239	-	1,052	201,379	202,670
Professional fees	-	-	37,441	36,000	73,441
Special events	2,911	-	784	21,088	24,783
Supplies	81,760	3,359	7,376	8,034	100,529
Telephone and television	6,896	2,948	4,912	636	15,392
Utilities	111,164	23,945	12,574	-	147,683
Vehicle operations	5,991	6,781	3,914	-	16,686
<b>Total expenses</b>	<b>\$749,123</b>	<b>\$223,679</b>	<b>\$604,789</b>	<b>\$366,364</b>	<b>\$1,943,955</b>

# Shreveport-Bossier Rescue Mission, Inc.

## Statements of Functional Expenses

2018 (Restated)				
Program Activities		Supporting Activities		
Program Services	Thrift Store and Enterprise Operations	Management and General	Fundraising	Total Expenses
\$ 278	\$ -	\$ 11,925	\$ 3,233	\$ 15,436
-	5,404	5,899	-	11,303
56,513	17,753	17,971	149	92,386
15,985	-	881	-	16,866
48,598	15,849	37,869	21,671	123,987
4,177	-	3,463	6,945	14,585
2,173	1,573	3,679	1,692	9,117
-	-	91,421	-	91,421
-	-	108,049	-	108,049
-	-	56,512	-	56,512
2,924	8,882	6,648	266	18,720
-	24,578	-	-	24,578
4,359	1,549	567	270	6,745
484,708	165,656	242,996	67,311	960,671
128	61	2,714	200,691	203,594
-	-	38,210	34,060	72,270
3,086	-	-	38,166	41,252
100,764	3,675	11,825	2,970	119,234
7,425	2,582	4,385	1,651	16,043
110,899	24,133	14,839	-	149,871
8,988	5,841	3,269	407	18,505
\$851,005	\$277,536	\$663,122	\$379,482	\$2,171,145

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



# Shreveport-Bossier Rescue Mission, Inc.

## Statements of Cash Flows

Years Ended June 30,	2019			2018 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Cash Flows from Operating Activities:</b>						
Increase in net assets	\$215,109	\$ -	\$215,109	\$164,188	\$ -	\$164,188
Adjustments to reconcile change in net assets to net cash provided by operating activities:						
Depreciation	123,653	-	123,653	123,987	-	123,987
Net realized and unrealized gains on investments	(57,566)	-	(57,566)	(38,285)	-	(38,285)
Gain from disposition of assets	(22,231)	-	(22,231)	-	-	-
Noncash gifts	(1,735)	-	(1,735)	(32,195)	-	(32,195)
Change in operating assets and liabilities:						
Prepaid expenses	(6,331)	-	(6,331)	9,471	-	9,471
Accounts payable and accrued liabilities	11,138	-	11,138	686	-	686
Net cash used by operating activities	262,037	-	262,037	227,852	-	227,852
<b>Cash Flows from Investing Activities:</b>						
Purchase of property and equipment	(17,278)	-	(17,278)	-	-	-
Cash received from sale of assets	29,289	-	29,289	-	-	-
Net purchase of investments	(228,752)	-	(228,752)	(18,312)	-	(18,312)
Proceeds from sale of securities	208,217	-	208,217	-	-	-
Net cash used by investing activities	(8,524)	-	(8,524)	(18,312)	-	(18,312)
<b>Cash Flows from Financing Activities -</b>						
Payments on note payable	(95,992)	-	(95,992)	(91,317)	-	(91,317)
Net cash used by financing activities	(95,992)	-	(95,992)	(91,317)	-	(91,317)
Net increase in cash	157,521	-	157,521	118,223	-	118,223
Cash, at beginning of year	690,020	50,000	740,020	571,797	50,000	621,797
Cash, at end of year	\$847,541	\$50,000	\$897,541	\$690,020	\$50,000	\$740,020

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

The Mission follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets generally accepted accounting principles ("GAAP") that the Mission follows to ensure the consistent reporting of its financial condition, changes in net assets and cash flows. References to GAAP issued by the FASB in the accompanying footnotes are to the FASB Accounting Standards Codification ("ASC").

For the year ended June 30, 2019, the Mission adopted Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities." Under ASU 2016-14, The Mission is required to report information regarding its financial position and activities according to two classes of net assets; assets with donor restrictions and assets without donor restrictions.

Assets without donor restrictions – The part of net assets that are not restricted by donor/grantor-imposed stipulations.

Assets with donor restrictions – The part of net assets that are restricted by donor/grantor-imposed stipulations.

Expenses are generally reported as decreases in net assets without donor restrictions. 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 net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law.

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Summary of Significant Accounting Policies

(Continued)

<b>Use of Estimates</b>	<p>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.</p>								
<b>Property and Equipment</b>	<p>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.</p> <p>Depreciation expense is calculated based upon the assets' estimated useful lives using the straight-line method. Useful lives at June 30, 2019 are as follows:</p> <table><tr><td>Buildings and renovations</td><td>40 years</td></tr><tr><td>Furniture and equipment</td><td>5-10 years</td></tr><tr><td>Transportation equipment</td><td>5 years</td></tr><tr><td>Software</td><td>5 years</td></tr></table>	Buildings and renovations	40 years	Furniture and equipment	5-10 years	Transportation equipment	5 years	Software	5 years
Buildings and renovations	40 years								
Furniture and equipment	5-10 years								
Transportation equipment	5 years								
Software	5 years								
<b>Liabilities</b>	<p>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.</p>								
<b>Reclassifications</b>	<p>Certain prior year amounts have been reclassified to conform to current year presentation.</p>								
<b>Revenue Recognition</b>	<p>Contributions and grants without donor restrictions are recognized as revenue in the period in which the donation is received or the grant is due and payable to the Mission.</p>								

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Summary of Significant Accounting Policies

*(Continued)*

---

**Revenue Recognition (concluded)**

Contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets to a specific timeframe or a specific purpose. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions on which the restriction expires in the same period as the revenue is recognized are reported as contributions without donor restrictions.

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

**Contracts with Customers**

The Mission has adopted ASU 2014-09 – “Revenue from Contracts with Customers (Topic 606)” as amended. Under the ASU, entities are required to identify and segment contracts into performance obligations. Entities are also required to account for certain contract costs and revenues as contract assets or contract liabilities.

**Performance Obligations**

Thrift Store and Enterprise Operations – Retail Sales

Revenue from retail sales of merchandise is recognized at a point in time when control of the goods transfers to the customer in an amount that reflects the consideration the Mission expects to receive in exchange for the goods. Typically, control is deemed to transfer at the date at which the goods are shipped, title has passed to the customer, and the customer accepts the goods.

The Mission does not have a return policy; thus, no provision has been made in these financial statements for a refund liability.

**Sales Taxes**

The Mission is required to collect local and state sales taxes based on a percentage of qualifying sales. The Mission’s policy is to exclude sales taxes from the transaction price of all revenue when collected and from expenses paid. Instead, the Mission records the collection and payment of sales taxes through a liability account.

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Summary of Significant Accounting Policies

*(Continued)*

### **Shipping and Handling**

The Mission has elected to treat shipping and handling activities as a part of the underlying promise to transfer goods to customers and to not treat them as a separate performance obligation. Thus, no portion of revenue received from customers is allocated to shipping and handling activities. All shipping and handling costs are classified as fulfillment costs.

### **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, 2019 and 2018, 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 2017 to 2019 remain subject to examination by taxing authorities.

### **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.

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Summary of Significant Accounting Policies (Concluded)

**Functional Expenses** The costs of providing program and other activities have been summarize on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting activities benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Depreciation	Percentage of program expenses
Payroll and payroll taxes	Time and effort

**Advertising and Development Costs** The Mission expenses advertising and development costs as they are incurred. The Mission expended approximately \$243,413 and \$244,931 in the years ended June 30, 2019 and 2018, respectively, for advertising and development.

**Subsequent Events** Management evaluated events subsequent to the Mission's most recent year end through March 5, 2021, the date the financial statements were available for issuance. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the local economy potentially reducing support from contributions and revenues thrift store and enterprise operations. However, the related financial impact and duration cannot be reasonably estimated at this time.

# 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, 2019, cash included approximately \$664,474 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, 2019 and 2018 is summarized as follows:

June 30,	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Total investments	\$968,437	\$1,125,398	\$946,422	\$1,045,562

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

June 30, 2019	Unrestricted	Temporarily		Total
		Restricted		
Interest income	\$ 1,832	\$ -		\$ 1,832
Dividends	30,203	-		30,203
Net realized and unrealized gains	56,678	-		56,678
Royalties	669	-		669
Investment expense	(10,613)	-		(10,613)
Total return on investments	\$ 78,769	\$ -		\$ 78,769

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

# 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, 2019 and 2018 were as follows:

	<b>2019</b>	2018
Buildings and renovations	<b>\$4,351,674</b>	\$4,360,428
Furniture and equipment	<b>544,486</b>	527,209
Transportation equipment	<b>84,338</b>	84,338
Software	<b>12,209</b>	12,209
Land	<b>519,864</b>	519,864
	<b>5,512,571</b>	5,504,048
Less accumulated depreciation and amortization	<b>1,926,180</b>	1,804,224
<b>Net property and equipment</b>	<b>\$3,586,391</b>	\$3,699,824

### 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:

	<b>2019</b>	2018
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.	<b>\$ 984,255</b>	\$1,080,247
Less current maturities of long-term debt	<b>(101,103)</b>	(96,230)
<b>Long-term debt less current portion</b>	<b>\$ 883,152</b>	\$ 984,017

(Continued)



# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Notes to Financial Statements (Continued)

### 5. Long-term Debt – (continued)

The amount of interest for 2019 and 2018 was \$51,838 and \$56,512 respectively.

Schedule of maturities is as follows:

Year Ended June 30,	Amount
2020	\$101,103
2021	105,815
2022	777,337
Total	\$984,255

### 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 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, 2019 and 2018 are as follows:

Asset at Fair Value as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Money Market	\$ 178,685	\$ -	\$ -	\$ 178,685
Common Stock	589,620	-	-	589,620
Mutual Funds	268,574	-	-	268,574
Fixed Income	88,519	-	-	88,519
Total	\$1,125,398	\$ -	\$ -	\$1,125,398

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

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Notes to Financial Statements (Continued)

### 7. Contributions Received

During the years ended June 30, 2019 and 2018, contributions were received from the following sources:

	2019	2018
Unrestricted		
Individuals	<b>\$1,087,340</b>	\$1,089,641
Businesses and organizations	<b>229,036</b>	323,756
Churches and church groups	<b>97,346</b>	86,114
Memorials, honorariums and bequest	-	10,080
Stocks and investments	<b>1,735</b>	32,195
<b>Total contributions received</b>	<b>\$1,415,457</b>	\$1,541,786

### 8. Grants Received

During the years ended June 30, 2019 and 2018, grants were received from the following sources:

	2019	2018
Christus Fund	<b>\$10,000</b>	\$ -
First United Methodist Church Shreveport	<b>9,000</b>	-
United Way of Northwest Louisiana	<b>4,000</b>	7,500
Community Foundation of Northwest Louisiana	-	5,800
Other	<b>8,190</b>	7,208
<b>Total</b>	<b>\$31,190</b>	\$20,508

### 9. Lease Commitments

The Mission leases vehicles and equipment for some of its activities under operating leases. Minimum rentals under the leases with initial or remaining terms in excess of one year were as follows at June 30, 2019:

Year	Operating Lease Payments
2020	\$16,072
2021	16,072
2022	16,072
2023	7,452
2024 and thereafter	241
<b>Total minimum rentals</b>	<b>\$55,909</b>

(Continued)

# Shreveport-Bossier Rescue Mission, Inc.

## Notes to Financial Statements (Continued)

**9. Lease Commitments - (continued)** Amounts charged to operations under operating leases totaled \$24,528 and \$18,720 for 2019 and 2018 respectively.

**10. Disaggregation of Revenue** Revenue, disaggregated by time of transfer of goods and services follows:

	<b>2019</b>	2018
Revenue recognized based on goods and services transferred to customers at a point in time		
Thrift Store and Enterprise operations	<b>\$295,818</b>	\$369,564

**11. Net Assets with Donor Restrictions** Net assets with donor restrictions consist of the following:

	<b>2019</b>	2018
Subject to expenditure for specified purposes:		
New program	<b>\$50,000</b>	\$50,000

**12. Availability of Financial Assets** The following reflects Mission's financial assets as of the statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date:

	<b>2019</b>	2018
Financial assets at year end:		
Cash and cash equivalents	<b>\$ 897,541</b>	\$ 740,020
Long-term investments	<b>1,125,398</b>	1,045,562
Total financial assets at year end	<b>2,022,939</b>	1,785,582

(Continued)

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Notes to Financial Statements (Continued)

12. Availability of Financial Assets - (continued)	2019	2018
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions	<b>(50,000)</b>	(50,000)
Financial assets available at year end to meet cash needs for general expenditures within one year	<b>\$1,972,939</b>	\$1,735,582

### 13. Adoption of New Accounting Pronouncements

For the year ended June 30, 2019, the Mission adopted the Financial Accounting Standard Update (ASU) No. 2016-14 – “Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities.” This update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 are the net asset classes used in the financial statements. Amount previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Effective May 1, 2018, the Mission adopted ASU 2014-09, “Revenue from Contracts with Customers” and subsequent amendments. The amendments collectively create a new Accounting Standards Codification (ASC) 606, “Revenue from Contracts with Customers,” which replaces most of the existing revenue recognition guidance established by the Financial Accounting Standards Board as a part of generally accepted accounting principles. ASC 606 establishes a new, single revenue framework to recognize revenue from contracts with customers and offers expanded disclosures for revenue transactions.

# Shreveport-Bossier Rescue Rescue Mission, Inc.

## Notes to Financial Statements (Concluded)

### 13. Adoption of New Accounting Pronouncements - (continued)

The Mission adopted ASC 606 using the full retrospective method applied to all contracts not completed as of May 1, 2018. There was no effect on retained earnings for prior years as a result of adopting the new revenue standard.

### 14. Prior Period Adjustment

During 2019, management determined the Mission reported as an expense the portion of insurance payments that should have been reported as a prepaid insurance expense for the year ended June 30, 2017. To recognize the recharacterization of insurance expense, the net assets and change in net assets for the year ended June 30, 2017 were restated as follows:

	As Originally Reported	As Restated
Prepaid expenses	\$ 8,166	\$ 25,968
Total assets	\$5,410,544	\$5,428,346
Net assets without donor restrictions	\$4,176,354	\$4,194,156
Total net assets	\$4,226,354	\$4,244,156
Total net assets and liabilities	\$5,410,544	\$5,428,346
Total expenses	\$2,196,527	\$2,178,725
Increase in net assets	\$ 192,809	\$ 210,961

# **Supplemental Material**



# Shreveport-Bossier Rescue

## Statements of Revenues and Expenses for Thrift Store and Enterprise Operations

<i>Years Ended June 30,</i>	<b>2019</b>	2018
<b>Revenues -</b>		
Sales	<b>\$295,818</b>	\$369,564
Total revenues	<b>295,818</b>	369,564
<b>Expenses:</b>		
Bank fees and service charges	<b>878</b>	5,404
Building and maintenance	<b>24,494</b>	17,753
Client service expenses	<b>300</b>	-
Depreciation	<b>14,228</b>	15,849
Information technology	<b>1,768</b>	1,573
Lease expense	<b>14,908</b>	8,882
Merchandise for resale	<b>22,852</b>	24,578
Miscellaneous	<b>792</b>	1,549
Payroll and payroll taxes	<b>106,426</b>	165,656
Printing and postage	-	61
Supplies	<b>3,359</b>	3,675
Telephone and television	<b>2,948</b>	2,582
Utilities	<b>23,945</b>	24,133
Vehicle operations	<b>6,781</b>	5,841
Total expenses	<b>223,679</b>	277,536
Net increase from Thrift Store and Enterprise Operations	<b>\$ 72,139</b>	\$ 92,028