



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

FINANCIAL STATEMENTS
Years Ended June 30, 2020 and 2019

Shreveport-Bossier Rescue Rescue Mission, Inc.

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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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019 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 June 30, 2020 and 2019. My opinion is not modified with respect to this matter.

Jane K. McChellad, CPA LLC

Certified Public Accountant

Shreveport, Louisiana
July 8, 2021

Shreveport-Bossier Rescue Mission, Inc.

Statements of Financial Position

<i>June 30,</i>	2020	2019
Assets		
Current assets:		
Cash and cash equivalents, unrestricted (Note 1)	\$1,137,215	\$ 847,541
Cash and cash equivalents, restricted (Note 1, and 10)	-	50,000
Prepaid expenses	12,074	22,828
Total current assets	1,149,289	920,369
Property and equipment, net (Notes 3 and 4)	3,498,817	3,586,391
Long-term investments (Notes 2 and 6)	1,138,008	1,125,398
Total Assets	\$5,786,114	\$5,632,158
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 27,586	\$ 24,450
Current portion of long-term debt (Note 5)	92,332	101,103
Total current liabilities	119,918	125,553
Long-term debt (Note 5)	791,565	883,152
Total Liabilities	911,483	1,008,705
Net assets:		
Without donor restrictions	4,874,631	4,573,453
With donor restrictions (Note 10)	-	50,000
Total net assets	4,874,631	4,623,453
Total Liabilities and Net Assets	\$5,786,114	\$5,632,158

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

Shreveport-Bossier Rescue Mission, Inc.

Statements of Activities

Years Ended June 30,	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:						
Contributions (Note 7)	\$1,384,608	\$ -	\$1,384,608	\$1,415,457	\$ -	\$1,415,457
Thrift store and enterprise operations	203,131	-	203,131	295,818	-	295,818
Governmental grant (Note 13)	155,900	-	155,900	-	-	-
Program service revenue	155,666	-	155,666	164,672	-	164,672
Charitable gift fund	142,486	-	142,486	92,888	-	92,888
Grants	50,038	-	50,038	31,190	-	31,190
Return on investments, net (Note 2)	12,390	-	12,390	78,769	-	78,769
Fundraising	29,636	-	29,636	54,783	-	54,783
Miscellaneous income	4,913	-	4,913	3,257	-	3,257
Assets released from restrictions	50,000	(50,000)	-	-	-	-
Gain (Loss) on sale of asset	-	-	-	22,230	-	22,230
Total revenue	2,188,768	(50,000)	2,138,768	2,159,064	-	2,159,064
Expenses:						
Client services	718,550	-	718,550	749,123	-	749,123
Thrift store and enterprise operations	198,629	-	198,629	223,679	-	223,679
Management and general	609,439	-	609,439	604,789	-	604,789
Fundraising	360,972	-	360,972	366,364	-	366,364
Total expenses	1,887,590	-	1,887,590	1,943,955	-	1,943,955
Increase in net assets	301,178	(50,000)	251,178	215,109	-	215,109
Net assets, beginning of year	4,573,453	50,000	4,623,453	4,358,344	50,000	4,408,344
Net assets, end of year	\$4,874,631	\$ -	\$4,874,631	\$4,573,453	\$50,000	\$4,623,453

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

2020

<i>Years Ended June 30,</i>	Program Activities		Supporting Activities		Total Expenses
	Client Services	Thrift Store and Enterprise Operations	Management and General	Fundraising	
Expenses:					
Advertising	\$ -	\$ -	\$ 11,790	\$ 3,084	\$ 14,874
Bank fees and service charges	-	1,800	6,597	32	8,429
Building and maintenance	24,344	32,436	32,576	-	89,356
Client service expenses	10,066	-	-	-	10,066
Depreciation	48,855	13,505	41,436	24,543	128,339
Dues and subscriptions	2,102	-	4,171	6,560	12,833
Information technology	9,300	1,619	5,107	3,667	19,693
Insurance, health	-	-	60,372	-	60,372
Insurance, property and casualty	-	-	116,308	-	116,308
Interest	-	-	47,471	-	47,471
Lease expense	757	14,731	8,177	-	23,665
Merchandise for resale	-	15,050	-	-	15,050
Miscellaneous	2,180	636	1,991	82	4,889
Payroll and payroll taxes	445,859	78,782	208,609	75,946	809,196
Printing and postage	490	-	1,270	191,396	193,156
Professional fees	-	-	32,780	46,756	79,536
Special events	1,512	-	544	5,898	7,954
Supplies	64,342	6,580	7,192	2,681	80,795
Telephone and television	7,880	4,314	6,644	327	19,165
Utilities	95,700	26,327	13,959	-	135,986
Vehicle operations	5,163	2,849	2,445	-	10,457
Total expenses	\$718,550	\$198,629	\$609,439	\$360,972	\$1,887,590

Shreveport-Bossier Rescue Mission, Inc.

Statements of Functional Expenses

2019

Program Activities		Supporting Activities			Total Expenses
Program Services	Thrift Store and Enterprise Operations	Management and General	Fundraising		
\$ -	\$ -	\$ 14,291	\$ 3,332	\$ 17,623	
430	878	6,606	-	7,914	
49,113	24,494	7,967	-	81,574	
12,715	300	-	-	13,015	
47,651	14,228	38,470	23,304	123,653	
4,498	-	3,382	7,728	15,608	
5,979	1,768	2,710	1,825	12,282	
-	-	76,523	-	76,523	
-	-	116,381	-	116,381	
-	-	51,838	-	51,838	
2,221	14,908	7,399	-	24,528	
-	22,852	-	-	22,852	
3,703	792	747	253	5,495	
413,852	106,426	210,422	62,785	793,485	
239	-	1,052	201,379	202,670	
-	-	37,441	36,000	73,441	
2,911	-	784	21,088	24,783	
81,760	3,359	7,376	8,034	100,529	
6,896	2,948	4,912	636	15,392	
111,164	23,945	12,574	-	147,683	
5,991	6,781	3,914	-	16,686	
\$749,123	\$223,679	\$604,789	\$366,364	\$1,943,955	

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

Shreveport-Bossier Rescue Mission, Inc.

Statements of Cash Flows

Years Ended June 30,	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Cash Flows from Operating Activities:						
Increase in net assets	\$ 301,178	\$(50,000)	\$ 251,178	\$ 215,109	\$ -	\$215,109
Adjustments to reconcile change in net assets to net cash provided by operating activities:						
Depreciation	128,338	-	128,338	123,653	-	123,653
Net realized and unrealized gains on investments	14,951	-	14,951	(57,566)	-	(57,566)
Gain from disposition of assets	-	-	-	(22,231)	-	(22,231)
Noncash gifts	-	-	-	(1,735)	-	(1,735)
Change in operating assets and liabilities:						
Prepaid expenses	10,754	-	10,754	(6,331)	-	(6,331)
Accounts payable and accrued liabilities	3,136	-	3,136	11,138	-	11,138
Net cash used by operating activities	458,357	(50,000)	408,357	262,037	-	262,037
Cash Flows from Investing Activities:						
Purchase of property and equipment	(40,764)	-	(40,764)	(17,278)	-	(17,278)
Cash received from sale of assets	-	-	-	29,289	-	29,289
Net purchase of investments	(29,290)	-	(29,290)	(228,752)	-	(228,752)
Proceeds from sale of securities	1,729	-	1,729	208,217	-	208,217
Net cash used by investing activities	(68,325)	-	(68,325)	(8,524)	-	(8,524)
Cash Flows from Financing Activities -						
Payments on note payable	(100,358)	-	(100,358)	(95,992)	-	(95,992)
Net cash used by financing activities	(100,358)	-	(100,358)	(95,992)	-	(95,992)
Net increase in cash	289,674	(50,000)	239,674	157,521	-	157,521
Cash, at beginning of year	847,541	50,000	897,541	690,020	50,000	740,020
Cash, at end of year	\$1,137,215	\$ -	\$1,137,215	\$ 847,541	\$50,000	\$897,541

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 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	<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, 2020 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								
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	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.								

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, 2020 and 2019, 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 2018 to 2020 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)

Statements of Cash Flows (concluded)

For the year ended June 30, 2020, the Mission adopted Accounting Standards Update (ASU) 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash". The Mission considers restricted cash to include cash contributions, grants or other support received with donor restrictions that have not been released from restriction through fulfillment of the stipulated time or purpose restrictions.

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 \$226,739 and \$243,413 in the years ended June 30, 2020 and 2019, respectively, for advertising and development.

Subsequent Events

Management evaluated events subsequent to the Mission's most recent year end through July 8, 2021, the date the financial statements were available for issuance.

Shreveport-Bossier Rescue 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, 2020, cash included approximately \$892,834 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, 2020 and 2019 is summarized as follows:

June 30,	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Total investments	\$1,038,322	\$1,138,008	\$968,437	\$1,125,398

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

June 30, 2020	Unrestricted	Temporarily		Total
		Unrestricted	Restricted	
Interest income	\$ 1,411	\$ -	\$ 1,411	
Dividends	29,691	-	29,691	
Net realized and unrealized gains	(8,017)	-	(8,017)	
Royalties	684	-	684	
Investment expense	(11,379)	-	(11,379)	
Total return on investments	\$ 12,390	\$ -	\$ 12,390	

June 30, 2019	Unrestricted	Temporarily		Total
		Unrestricted	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	

Shreveport-Bossier 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, 2020 and 2019 were as follows:

	2020	2019
Buildings and renovations	\$4,354,494	\$4,351,674
Furniture and equipment	582,431	544,486
Transportation equipment	84,338	84,338
Software	12,209	12,209
Land	519,864	519,864
	5,553,336	5,512,571
Less accumulated depreciation and amortization	2,054,519	1,926,180
Net property and equipment	\$3,498,817	\$3,586,391

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:

	2020	2019
Note payable for facilities due 9/12/2021; 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, 2020. Collateralized by a building.	\$883,897	\$ 984,255
Less current maturities of long-term debt	(92,332)	(101,103)
Long-term debt less current portion	\$791,565	\$ 883,152

(Continued)

Shreveport-Bossier Rescue Rescue Mission, Inc.

Notes to Financial Statements (Continued)

5. Long-term Debt – (continued)

The amount of interest for 2020 and 2019 was \$47,471 and \$51,838 respectively.

Schedule of maturities is as follows:

Year Ended June 30,	Amount
2021	\$92,332
2022	791,565
Total	\$883,897

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, 2020 and 2019 are as follows:

Asset at Fair Value as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Money Market	\$ 185,539	\$ -	\$ -	\$ 185,539
Common Stock	385,128	-	-	385,128
Mutual Funds	301,778	-	-	301,778
Exchange Traded Funds	265,563	-	-	265,563
Total	\$1,138,008	\$ -	\$ -	\$1,138,008

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
Exchange Traded Funds	88,519	-	-	88,519
Total	\$1,125,398	\$ -	\$ -	\$1,125,398

Shreveport-Bossier Rescue Rescue Mission, Inc.

Notes to Financial Statements (Continued)

7. Contributions Received

During the years ended June 30, 2020 and 2019, contributions were received from the following sources:

	2020	2019
Unrestricted		
Individuals	\$1,081,470	\$1,087,340
Businesses and organizations	217,911	229,036
Churches and church groups	81,152	97,346
Memorials, honorariums and bequest	4,075	-
Stocks and investments	-	1,735
Total contributions received	\$1,384,608	\$1,415,457

8. 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, 2020:

Year	Operating Lease Payments
2021	\$16,072
2022	16,072
2023	7,452
2024 and thereafter	241
Total minimum rentals	\$39,837

Amounts charged to operations under operating leases totaled \$23,539 and \$24,529 for 2020 and 2019 respective

Shreveport-Bossier Rescue Mission, Inc.

Notes to Financial Statements (Continued)

9. Disaggregation of Revenue

Revenue, disaggregated by time of transfer of goods and services follows:

	2020	2019
Revenue recognized based on goods and services transferred to customers at a point in time -		
Thrift Store and Enterprise operations	\$203,131	\$295,818

10. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following:

	2020	2019
Subject to expenditure for specified purposes -		
New program	\$ -	\$50,000

In 2020, management reviewed the terms of the donation creating the restricted fund and determined those criteria had been met. Accordingly, these funds were determined to be no longer restricted.

11. 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

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	\$1,137,216	\$ 897,541
Long-term investments	1,138,008	1,125,398
Total financial assets at year end	2,275,224	2,022,939
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions	-	(50,000)

(Continued)

Shreveport-Bossier Rescue Rescue Mission, Inc.

Notes to Financial Statements (Continued)

11. Availability of Financial Assets

2020

2019

Financial assets available at year end to meet cash needs for general expenditures within one year

\$2,275,224 \$1,972,939

12. 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.

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.

Shreveport-Bossier Rescue Rescue Mission, Inc.

Notes to Financial Statements (Concluded)

12. Adoption of New Accounting Pronouncements (concluded)

For the year ended June 30, 2020, the Mission adopted Accounting Standards Update (ASU) 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which addresses classification and presentation of changes in restricted cash on the statement of cash flows.

ASU 2016-18 requires an entity's reconciliation of the beginning-of-period and end-of-period total amounts shown on the statement of cash flows to include cash and cash equivalents amounts generally described as restricted cash and restricted cash equivalents.

The Financial Accounting Standards Board has not defined restricted cash or restricted cash equivalents. The Mission considers restricted cash to include cash contributions, grants or other support received with donor restrictions that have not been released from restriction through fulfillment of the stipulated restrictions.

The Mission has adopted ASU 2016-18 using a retrospective method. There was no effect on the financial statements as of June 30, 2019.

13. Government Grants

Government grants comprise loan proceeds made available through the Paycheck Protection Program of the CARES Act of 2020. Under the Paycheck Protection Program, eligible entities may receive loans backed by the Small Business Administration to pay for up to 24 weeks of payroll, benefits, and other qualifying expenses. The loans are forgivable to the extent they are used for qualifying expenses within the allowable timeframe.

Management used all the loan proceeds for qualifying expenses prior to the year ended June 30, 2020 and thus qualifies for loan forgiveness. Therefore, management has elected to treat the loan as an in-substance government grant and recognize the proceeds as a conditional contribution under the provisions of ASC 958-605 "Not-for-Profit Entities: Revenue Recognition." Since the conditions were met in the same accounting period in which the funds were received, the contribution was recorded as an increase in net assets without donor restrictions.

Supplemental Material

Shreveport-Bossier Rescue Rescue Mission, Inc.

Statements of Revenues and Expenses for Thrift Store and Enterprise Operations

<i>Years Ended June 30,</i>	2020	2019
Revenues -		
Sales	\$203,131	\$295,818
Total revenues	203,131	295,818
Expenses:		
Bank fees and service charges	1,800	878
Building and maintenance	32,436	24,494
Client service expenses	-	300
Depreciation	13,505	14,228
Information technology	1,619	1,768
Lease expense	14,731	14,908
Merchandise for resale	15,050	22,852
Miscellaneous	636	792
Payroll and payroll taxes	78,782	106,426
Supplies	6,580	3,359
Telephone and television	4,314	2,948
Utilities	26,327	23,945
Vehicle operations	2,849	6,781
Total expenses	198,629	223,679
Net increase from Thrift Store and Enterprise Operations	\$ 4,502	\$ 72,139