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# THE RESCUE MISSION OF MAHONING VALLEY

*AUDIT OF FINANCIAL STATEMENTS*

Years ended September 30, 2019 and 2018

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## **REPORT OF INDEPENDENT AUDITORS**

BOARD OF TRUSTEES  
THE RESCUE MISSION OF MAHONING VALLEY

We have audited the accompanying financial statements of The Rescue Mission of Mahoning Valley (Organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the 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**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Rescue Mission of Mahoning Valley as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note B to the financial statements, the Organization retroactively adopted the requirements of the Financial Accounting Standards Board Accounting Standards Update ("ASU") No. 2016-14, "Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities" as of September 30, 2019. Our opinion is not modified with respect to this matter.

## **Report on Summarized Comparative Information**

We have previously audited The Rescue Mission of Mahoning Valley's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 25, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Canfield, Ohio  
January 17, 2020

The Rescue Mission of Mahoning Valley  
**STATEMENTS OF FINANCIAL POSITION**

<b>ASSETS</b>	<b>September 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash - checking	\$ 430,945	\$ 297,875
Accounts receivable		
Pledges	343,482	147,368
Prepaid expenses	35,588	37,788
Other	18,294	9,395
<b>TOTAL CURRENT ASSETS</b>	<b>828,309</b>	<b>492,426</b>
<b>INVESTMENTS</b>	<b>580,641</b>	<b>100,987</b>
<b>LAND, BUILDING AND EQUIPMENT</b>		
Land	17,865	5,550
Building and building improvements	471,860	469,903
Furniture, fixtures and equipment	357,571	348,170
Vehicles	162,370	162,370
<b>TOTAL LAND, BUILDING AND EQUIPMENT</b>	<b>1,009,666</b>	<b>985,993</b>
Less accumulated depreciation	861,654	797,394
Construction in process	150,000	150,000
<b>NET LAND, BUILDING AND EQUIPMENT</b>	<b>298,012</b>	<b>338,599</b>
Cash - capital campaign	2,886,103	1,830,815
Long-term pledges receivable	526,943	488,654
<b>TOTAL OTHER ASSETS</b>	<b>3,413,046</b>	<b>2,319,469</b>
<b>TOTAL ASSETS</b>	<b>\$ 5,120,008</b>	<b>\$ 3,251,481</b>

The accompanying notes are an integral part of these financial statements.

**LIABILITIES AND NET ASSETS**

September 30,

	2019	2018
<b>CURRENT LIABILITIES</b>		
Accounts payable - trade	\$ 94,953	\$ 62,783
Custodial funds - residents	11,675	8,964
Accrued and withheld payroll taxes	6,863	3,889
Accrued payroll	68,217	19,285
Other accrued liabilities	-	250
<b>TOTAL CURRENT LIABILITIES</b>	<b>181,708</b>	<b>95,171</b>
<b>TOTAL LIABILITIES</b>	<b>181,708</b>	<b>95,171</b>
<b>NET ASSETS</b>		
Without donor restriction	2,158,102	1,690,183
With donor restriction	2,780,198	1,466,127
<b>TOTAL NET ASSETS</b>	<b>4,938,300</b>	<b>3,156,310</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,120,008</b>	<b>\$ 3,251,481</b>

The Rescue Mission of Mahoning Valley

**STATEMENTS OF ACTIVITIES**

Year ended September 30, 2019

(with comparative totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	TOTALS	
			2019	2018
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public support:				
Individuals, business and church contributions	\$ 2,020,249	\$ 1,299,348	\$ 3,319,597	\$ 2,575,068
Gifts in kind	176,014	8,899	184,913	153,858
Foundations	86,879	42,615	129,494	202,399
Bequests and memorials	288,026	-	288,026	120,320
Fundraising events	55,120	670	55,790	115,881
Grants	10,000	16,000	26,000	20,000
Net assets released from program restrictions and reclassifications	53,461	(53,461)	-	-
<b>TOTAL PUBLIC SUPPORT</b>	<b>2,689,749</b>	<b>1,314,071</b>	<b>4,003,820</b>	<b>3,187,526</b>
Revenue:				
Interest, dividends and capital gain distributions	29,746	-	29,746	4,898
(Loss) on disposal of assets	-	-	-	(294,800)
Miscellaneous income	4,968	-	4,968	3,202
<b>TOTAL REVENUE</b>	<b>34,714</b>	<b>-</b>	<b>34,714</b>	<b>(286,700)</b>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>2,724,463</b>	<b>1,314,071</b>	<b>4,038,534</b>	<b>2,900,826</b>
<b>EXPENSES</b>				
Program services	1,407,700	-	1,407,700	1,373,174
Management and general	236,340	-	236,340	205,368
Fundraising	612,504	-	612,504	587,060
<b>TOTAL EXPENSES</b>	<b>2,256,544</b>	<b>-</b>	<b>2,256,544</b>	<b>2,165,602</b>
<b>CHANGE IN NET ASSETS</b>	<b>467,919</b>	<b>1,314,071</b>	<b>1,781,990</b>	<b>735,224</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>1,690,183</b>	<b>1,466,127</b>	<b>3,156,310</b>	<b>2,421,086</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,158,102</b>	<b>\$ 2,780,198</b>	<b>\$ 4,938,300</b>	<b>\$ 3,156,310</b>

The Rescue Mission of Mahoning Valley  
**STATEMENTS OF FUNCTIONAL EXPENSES**

Year ended September 30, 2019  
(with comparative totals for 2018)

	PROGRAM SERVICES	SUPPORTING SERVICES			Total Expenses	
		MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	2019	2018
Salaries and wages	\$ 665,845	\$ 167,425	\$ 82,242	\$ 249,667	\$ 915,512	\$ 865,570
Payroll taxes	49,699	9,142	6,291	15,433	65,132	61,928
Employee benefits	84,731	11,964	7,433	19,397	104,128	107,499
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>800,275</b>	<b>188,531</b>	<b>95,966</b>	<b>284,497</b>	<b>1,084,772</b>	<b>1,034,997</b>
Utilities	71,121	2,272	3,029	5,301	76,422	86,894
Insurance	18,531	2,355	390	2,745	21,276	24,436
Taxes and licenses	936	200	-	200	1,136	1,673
Repairs and maintenance	13,064	110	-	110	13,174	18,190
<b>TOTAL OCCUPANCY</b>	<b>103,652</b>	<b>4,937</b>	<b>3,419</b>	<b>8,356</b>	<b>112,008</b>	<b>131,193</b>
Technical services	16,209	2,307	2,181	4,488	20,697	30,579
Bank charges	-	983	17	1,000	1,000	1,758
Computer supplies	614	7,170	7,908	15,078	15,692	11,850
Direct assistance	26,353	-	-	-	26,353	39,542
Leases	12,068	2,287	6,988	9,275	21,343	20,980
Programs	57,816	-	-	-	57,816	70,284
Groceries	184,225	188	16	204	184,429	125,441
Supplies	23,075	-	102	102	23,177	21,641
Vehicle expense	21,186	1,285	937	2,222	23,408	20,100
Office supplies and postage	3,418	1,689	11,149	12,838	16,256	14,235
Promotions and public relations	20	843	66,311	67,154	67,174	59,244
Telephone	8,410	2,305	964	3,269	11,679	7,371
Travel and meals	1,517	2,257	1,092	3,349	4,866	6,902
Conferences and training	2,367	1,282	-	1,282	3,649	2,502
Professional services	14,800	12,500	-	12,500	27,300	25,825
Dues, fees and subscriptions	-	3,635	8,517	12,152	12,152	11,627
General expenses	14,636	2,213	38	2,251	16,887	10,097
Postage, handling and printing	63,081	-	373,400	373,400	436,481	426,203
Pledge write offs	-	-	25,145	25,145	25,145	20,030
<b>TOTAL OTHER EXPENSES BEFORE DEPRECIATION</b>	<b>1,353,722</b>	<b>234,412</b>	<b>604,150</b>	<b>838,562</b>	<b>2,192,284</b>	<b>2,092,401</b>
Depreciation expense	53,978	1,928	8,354	10,282	64,260	73,201
<b>TOTAL EXPENSES</b>	<b>\$ 1,407,700</b>	<b>\$ 236,340</b>	<b>\$ 612,504</b>	<b>\$ 848,844</b>	<b>\$ 2,256,544</b>	<b>\$ 2,165,602</b>



**The Rescue Mission of Mahoning Valley**  
**STATEMENTS OF CASH FLOWS**

Years ended September 30, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,781,990	\$ 735,224
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	64,260	73,201
Loss on disposal of assets	-	293,556
Noncash donations (net)	-	(1,503)
(Increase) decrease in assets:		
Accounts receivable	(234,403)	(129,420)
Prepaid expenses	2,200	(2,041)
Other assets	(8,899)	-
Increase in liabilities:		
Accounts payable and accrued expenses	86,537	(5,849)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>1,691,685</b>	<b>963,168</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of long-term investments	(479,654)	(198)
Proceeds from maturity/sale of long-term investments	-	581,000
Purchases of land, building and equipment	(23,673)	(109,701)
Proceeds from sale of land, building and equipment	-	123,436
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(503,327)</b>	<b>594,537</b>
<b>NET CHANGE IN CASH</b>	<b>1,188,358</b>	<b>1,557,705</b>
<b>CASH--BEGINNING OF YEAR</b>	<b>2,128,690</b>	<b>570,985</b>
<b>CASH--END OF YEAR</b>	<b>\$ 3,317,048</b>	<b>\$ 2,128,690</b>
<b>NON CASH INVESTING ACTIVITIES</b>		
Recording construction in progress by assuming accounts payable	\$ -	\$ 50,000

**The Rescue Mission of Mahoning Valley**  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2019 and 2018

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**NOTE A – NATURE OF OPERATIONS**

The Rescue Mission of Mahoning Valley (“the Organization”) is a non-profit corporation, which receives donations from businesses, churches, grants and individuals, most of whom are located in northeastern Ohio. The Organization operates a shelter to help anyone who needs food, shelter, safety and a second chance.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Adoption of New Accounting Pronouncements**

Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB’s improvements to net asset classification requirements and the information presented about a not-for-profit entity’s liquidity, financial performance and cash flows. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied. The change has been applied as of September 30, 2019 with no effect on beginning net assets.

**Basis of Accounting**

The financial statements have been prepared using the accrual basis of accounting, and are in conformity with accounting principles generally accepted in the United States of America.

**Unconditional Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, 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 restriction. Long-term pledges receivable represent pledges due from one to five years. The Organization uses the allowance method to determine uncollectible promises receivable. As of the financial statement date, management believes all accounts are collectible.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains with donor restriction are reported as increases in net assets without donor restriction if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Donated Material and Services**

Donated materials are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. Donated services recognized in the financial statements consist of advertising and other professional services. A substantial number of volunteers have donated significant amounts of their time to the Organization’s program services and in its fund raising campaigns. No amounts have been reflected in the statements for these donated services inasmuch as no objective basis is available to measure the value of such services.

**Land, Building and Equipment**

Land, building and equipment are stated at cost. Depreciation totaling \$64,260 and \$73,201 for the years ended September 30, 2019 and 2018, respectively, is computed on the straight-line method. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$500. Donated assets are capitalized at their estimated fair value at the date of receipt.

The Rescue Mission of Mahoning Valley  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2019 and 2018

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Classification of Net Assets**

The net assets of the Organization are reported as follows:

**Without Donor Restriction** represents operating net assets which are available for the general operation of the Organization as net assets without donor restriction, as well as Board-designated net assets set aside for future use.

**With Donor Restriction** represents gifts of cash or other restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

**Liquidity**

The Organization maintains a liquid cash balance in checking and money market investment accounts in an amount necessary to meet its anticipated expenditures for any given three-month period. Management will evaluate the working capital needs based on cash flow, timing of receivables, and expectations of expenses to determine the amount.

Financial assets	
Cash - checking	\$ 430,945
Accounts receivable - pledges	343,482
Investments	580,641
Total financial assets	<u>1,355,068</u>
Less those unavailable for general expenditures within one year:	
Accounts receivable – pledges	(343,482)
Net assets with donor restrictions	<u>(102,705)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u>\$ 908,881</u>

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses charged to related programs that are direct costs can be attributed to the program and support charges that are allocated to the program. Management and general expenses include those expenses that provide overall support and direction of the Organization. The Organization uses both the direct and indirect method for allocating expenses. The direct method is for those items directly related to or incurred on behalf of a specific program. The indirect method is used for those items that relate to or are incurred for multiple programs at one time; in those situations the Organization uses square footage, direct full time employees or total full time employees to allocate the costs.

**Comparative Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

The Rescue Mission of Mahoning Valley  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2019 and 2018

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications**

Certain amounts in the prior year financial statements have been reclassified to enhance comparability with the current period information. Such reclassifications had no impact on the Organization’s financial position, results of operations or cash flows.

**NOTE C – NET ASSETS WITH DONOR RESTRICTIONS**

**Capital Campaign**

The Board of Trustees authorized a capital campaign to raise a minimum of \$5,500,000 for construction of a new facility. The Organization engaged an architectural and engineering firm for building construction. Included on the Statement of Financial Position as construction in process is \$150,000 of architecture and site preparation fees at September 30, 2019 and 2018. The Statement of Activities includes \$1,294,133 and \$718,706 of public support to the capital campaign for the years ended September 30, 2019 and 2018, respectively. Expenses related to the capital campaign totaled \$15,360 and \$155,155 for the years ended September 30, 2019 and 2018, respectively.

Donor restricted net assets at September 30, 2019 and 2018 are available for the following purposes:

	<b>2019</b>	2018
Christian fellowship	<b>\$ 43,547</b>	\$ 18,884
Burial plots	<b>18,294</b>	9,395
Workforce development	<b>12,001</b>	11,139
Annual meal program	<b>3,003</b>	-
Purchase of washers & dryers	<b>3,944</b>	-
Children programs	<b>3,957</b>	4,433
Food & food supplies	<b>300</b>	290
Transportation programs	<b>89</b>	560
Residents	<b>8,327</b>	13,478
Mission church	<b>300</b>	50
Capital campaign	<b>2,677,493</b>	1,398,050
ID’s and licenses	<b>2,825</b>	3,140
Program activities	<b>1,683</b>	2,478
Holiday programs	<b>4,010</b>	3,970
Shoes and clothing	<b>385</b>	260
School/educational needs	<b>40</b>	-
	<b>\$ 2,780,198</b>	\$ 1,466,127

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors.

The Rescue Mission of Mahoning Valley  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2019 and 2018

**NOTE C – NET ASSETS WITH DONOR RESTRICTIONS (continued)**

**Endowment Fund**

The Organization has designated funds to function as an endowment fund to fulfill the needs and objectives of the Mission. The endowment is funded by unrestricted donations received from estates in amounts over \$10,000 upon the approval from the finance committee. The Board of Trustees may, with an 80% approval vote, use at their discretion all or part of the fund. Currently, the Board has approved the use of all income (dividends and interest) from the fund's investments for the payment of operating expenses. The Organization's primary objective for the investments included in the fund is preservation of capital. As of September 30, 2015, the Board has converted remaining funds to Money Market accounts to preserve capital. Also, the Board has approved the borrowing of funds for payment of operating expenses. The Board of Trustees has granted PNC Bank control to make investment decisions for the endowment fund.

Endowment net asset composition by type of fund as of September 30, 2019:

	<b>Without Donor Restrictions</b>
Board designated endowment funds	\$ 580,641

Endowment net asset composition by type of fund as of September 30, 2018:

	<b>Without Donor Restrictions</b>
Board designated endowment funds	\$ 100,987

Changes in endowment net assets for the year ended September 30, 2019 and 2018:

	<b>Without Donor Restrictions</b>
<b>Endowment net assets, October 1, 2017</b>	<b>\$ 681,788</b>
Investment income	199
Contributions	-
Appropriation of endowment assets for expenditure	(581,000)
<b>Endowment net assets, September 30, 2018</b>	<b>\$ 100,987</b>
Investment income	791
Contributions	478,863
Appropriation of endowment assets for expenditure	-
<b>Endowment net assets, September 30, 2019</b>	<b>\$ 580,641</b>

The Rescue Mission of Mahoning Valley  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2019 and 2018

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## NOTE D – INVESTMENTS

Investments are stated at fair value based on quoted market prices and consist of the following:

	September 30, 2019		September 30, 2018	
	Cost	Fair Value	Cost	Fair Value
Money markets	\$ 580,641	\$ 580,641	\$ 100,987	\$ 100,987
Total Investments	\$ 580,641	\$ 580,641	\$ 100,987	\$ 100,987

## NOTE E – FAIR VALUE MEASUREMENTS

The Organization has characterized their financial instruments, based on the priority of the inputs used to value the financial instruments, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1], and the lowest priority to unobservable inputs [Level 3]. If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the financial instruments.

Financial instruments recorded in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1: These are financial instruments where values are based on unadjusted quoted prices for identical sets in an active market that the Organization has the ability to access.

Level 2: These are financial instruments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the financial instruments.

Level 3: These are financial instruments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the financial instruments.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2019 and 2018:

*Money markets:* As a practical expedient, valued at net asset value of shares held at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Rescue Mission of Mahoning Valley  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2019 and 2018

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**NOTE E – FAIR VALUE MEASUREMENTS (continued)**

In accordance with GAAP, investments measured at net asset value as a practical expedient have not been classified in the fair value hierarchy. All holdings of the Organization are money markets, which are measured at NAV. Total money markets were \$580,641 and \$100,987 for the years ending September 30, 2019 and 2018, respectively.

Assets measured at fair value on a non-recurring basis comprise the following:

	Fair Value at September 30,	
	2019	2018
Equipment held and used	<u>\$20,492</u>	<u>\$37,865</u>

Fair value was determined as follows:

	Based on Other Observable Inputs	
	2019	2018
Equipment held and used	<u>\$20,492</u>	<u>\$37,865</u>

The fair value of equipment held and used is determined, whenever possible, by reference to quoted market prices and other market information for similar assets.

**NOTE F – LEASES**

The Organization leases office equipment under various month to month arrangements. Lease expense totaled \$21,343 and \$20,980 for the years ended September 30, 2019 and 2018, respectively. The Organization expects that all leases will either be replaced or renewed in the ordinary course of business.

**NOTE G – GIFTS IN KIND AND DIRECT ASSISTANCE**

Gifts in kind donations were \$184,913 and \$153,858 for years ended September 30, 2019 and 2018, respectively. Direct assistance expense was \$26,353 and \$39,542 for years ended September 30, 2019 and 2018, respectively. During the year ended September 30, 2018, the Organization received a non-cash donation of an SUV with a value totaling \$1,503.

**NOTE H – PENSION PLAN**

The Organization has a 401(k) Plan covering substantially all of its employees over the age of 21 with one year of service (at least 1,000 hours worked). The Organization's contributions to the 401(k) plan are discretionary. There was no retirement expense for the years ended September 30, 2019 and 2018, respectively.

The Rescue Mission of Mahoning Valley  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2019 and 2018

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**NOTE I – CONDITIONAL ASSET RETIREMENT OBLIGATIONS**

Conditional asset retirement obligations (ARO) meet the definition of liabilities and should be recognized when incurred if their fair values can be reasonably estimated. As of September 30, 2019, the Organization was unable to estimate the range of settlement dates and the related probabilities for certain asbestos remediation AROs. These conditional AROs are primarily related to the encapsulated structural fireproofing that is not subject to abatement unless the building is demolished and non-encapsulated asbestos that the Organization would remediate only if it performed major renovations to the building. Because these conditional obligations have indeterminate settlement dates, the Organization could not develop a reasonable estimate of their fair values. The Organization will continue to assess its ability to estimate fair values at each future reporting date. The related liability will be recognized once sufficient additional information becomes available.

**NOTE J – CONCENTRATION OF RISK**

The Organization maintains its cash in various financial institutions which, at times, may exceed federally insured limits, of \$250,000. The Organization has not experienced any losses from such accounts, and management believes the Organization is not exposed to significant credit risk related to bank deposit accounts.

**NOTE K – CONTINGENCIES**

On June 23, 2010, the City of Youngstown deeded a parcel of vacant land to the Organization. The ownership of this deed was contingent upon the Organization breaking ground on a new facility by June 2011. This deed was subsequently extended to December 21, 2019. Upon meeting this stipulation, a donation would be recorded for the fair market value of the land. During the year ended September 30, 2019, the Organization purchased land at a different location for construction of the new facility and forfeited the land deed back to the City.

**NOTE L – SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through January 17, 2020 which is the date the financial statements were available to be issued.





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Certified Public Accountants & Business Consultants

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