



**Winston-Salem Rescue Mission, Inc.**

**Financial Statements**

**Year Ended June 30, 2019**

**Winston-Salem Rescue Mission, Inc.**

**Year Ended June 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Winston-Salem Rescue Mission, Inc.

We have audited the accompanying financial statements of Winston-Salem Rescue Mission Inc. (a nonprofit organization), which comprise the statement of financial position as of June 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 audit. We conducted our audit 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 Winston-Salem Rescue Mission, Inc. as of June 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.

**Report on Summarized Comparative Information**

We have previously audited the Winston-Salem Rescue Mission, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Duncan Ashe, P.A.*

Greensboro, North Carolina  
November 11, 2019

Winston-Salem Rescue Mission, Inc.  
Statement of Financial Position  
June 30, 2019  
with Comparative Totals for 2018

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	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 164,785	\$ 371,005
Inventory		
Thrift store inventory	9,368	7,278
Furniture and appliance inventory	40,705	30,020
Food and groceries inventory	159,478	145,768
Pledges receivable	-	20,000
Accounts receivable	6,432	5,628
Sales tax receivable	<u>5,228</u>	<u>7,910</u>
Total current assets	385,996	587,609
Property and equipment, at cost, net of accumulated depreciation of \$2,370,159 and \$2,232,624	<u>4,646,482</u>	<u>4,735,793</u>
Total assets	<u>\$ 5,032,478</u>	<u>\$ 5,323,402</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 61,660	\$ 93,998
Current portion of long-term debt	145,608	153,266
Accrued salaries and wages	24,191	24,504
Accrued employee benefits and taxes	480	486
Sales tax payable	<u>3,258</u>	<u>3,567</u>
Total current liabilities	235,197	275,821
Long-term debt	<u>544,829</u>	<u>690,330</u>
Total liabilities	<u>780,026</u>	<u>966,151</u>
Net assets:		
Net assets without donor restrictions	4,237,370	4,314,935
Net assets with donor restrictions	<u>15,082</u>	<u>42,316</u>
Total net assets	<u>4,252,452</u>	<u>4,357,251</u>
Total liabilities and net assets	<u>\$ 5,032,478</u>	<u>\$ 5,323,402</u>

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

Winston-Salem Rescue Mission, Inc.  
Statement of Activities  
For the Year Ended June 30, 2019  
with Comparative Totals for 2018

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	Without Donor Restrictions	With Donor Restrictions	2019 Totals	2018 Totals
Revenues, Gains and Other Support:				
Contributions	\$ 1,550,038	3,163	\$ 1,553,203	\$ 1,714,698
Donations in-kind (See Note 4)	1,742,209	-	1,742,207	1,219,355
Contributed goods and volunteer services	14,292	-	14,292	14,852
Sales to public:				
Sale of donated inventory	613,751	-	613,751	460,289
Sale of donated automobiles	430	-	430	1,874
Total sales to public	<u>614,181</u>	<u>-</u>	<u>614,181</u>	<u>462,163</u>
Fundraising events (net of expenses)	67,895	-	67,895	264,173
Program fees	68,611	-	68,611	65,907
Realized gain/(loss) on sale of assets	(2,473)	-	(2,473)	3,695
Other income	5,987	-	5,987	7,034
Insurance proceeds net of restoration exper	-	-	-	162,460
Net assets released from restriction	<u>30,397</u>	<u>(30,397)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,091,137</u>	<u>(27,234)</u>	<u>4,063,903</u>	<u>3,914,337</u>
Functional Expenses				
Program services	3,726,145	-	3,726,145	3,189,827
Management and general	168,557	-	168,557	128,504
Fundraising	<u>274,000</u>	<u>-</u>	<u>274,000</u>	<u>262,084</u>
Total functional expenses	<u>4,168,702</u>	<u>-</u>	<u>4,168,702</u>	<u>3,580,415</u>
Change in net assets	(77,565)	(27,234)	(104,799)	333,922
Net assets - beginning of year	<u>4,314,935</u>	<u>42,316</u>	<u>4,357,251</u>	<u>4,023,329</u>
Net assets - end of year	\$ <u><u>4,237,370</u></u>	<u><u>15,082</u></u>	\$ <u><u>4,252,452</u></u>	\$ <u><u>4,357,251</u></u>

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

Winston-Salem Rescue Mission, Inc.  
Statement of Functional Expenses  
For the Year Ended June 30, 2019  
with Comparative Totals for 2018

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	Program Services	Management and General	Fundraising	2019 Totals	2018 Totals
Salaries	\$ 1,127,203	63,591	97,187	\$ 1,287,981	\$ 1,166,136
Employee benefits	27,756	2,348	1,437	31,541	24,033
Payroll taxes	82,701	4,491	6,786	93,978	84,593
Total salaries and related expenses	1,237,660	70,430	105,410	1,413,500	1,274,762
Bank fees	-	20,868	-	20,868	19,756
Bad debts	1,618	-	-	1,618	5
Computer expenses	36,335	1,285	-	37,620	37,468
Depreciation	163,729	8,617	-	172,346	176,319
Dues and subscriptions	6,575	346	-	6,921	5,847
Educational expenses	7,790	-	-	7,790	2,205
Farm expenses	2,861	79	-	2,940	4,448
Store resale and delivery expenses	10,139	-	-	10,139	10,168
Food	23,363	-	-	23,363	35,258
Client expenses - other	8,676	-	-	8,676	7,806
Fundraising - consultant and other	-	-	168,590	168,590	183,823
Gas and oil	25,517	1,343	-	26,860	23,640
Insurance	76,105	4,006	-	80,111	70,932
Interest	-	30,323	-	30,323	36,296
Kitchen expenses	16,374	517	-	16,891	18,927
Garbage disposal	21,948	1,155	-	23,103	21,273
Office supplies	17,972	946	-	18,918	13,228
Postage	9,107	479	-	9,586	11,100
Professional fees	-	14,900	-	14,900	14,900
Promotional expenses	44,134	-	-	44,134	35,116
Repairs and maintenance - facilities	63,149	1,368	-	64,517	74,627
Repairs and maintenance - vehicles	9,354	492	-	9,846	27,539
Repairs and maintenance - other	20,248	1,066	-	21,314	37,498
Staff expenses	2,186	298	-	2,484	2,742
Taxes and licenses	2,063	80	-	2,143	2,475
Travel	938	49	-	987	1,125
Utilities	162,640	8,560	-	171,200	171,610
Vehicle rentals and leases	25,650	1,350	-	27,000	23,450
	<u>1,996,131</u>	<u>168,557</u>	<u>274,000</u>	<u>2,438,688</u>	<u>2,344,343</u>
Non-cash distributions (See Note 4):					
Thrift store - merchandise	617,208	-	-	617,208	466,329
Distributions of food and clothing	1,098,514	-	-	1,098,514	757,591
Contributed services	14,292	-	-	14,292	12,152
	<u>1,730,014</u>	<u>-</u>	<u>-</u>	<u>1,730,014</u>	<u>1,236,072</u>
Total functional expenses	\$ <u>3,726,145</u>	<u>168,557</u>	<u>274,000</u>	\$ <u>4,168,702</u>	\$ <u>3,580,415</u>
Functional expenses by percent	<u>89%</u>	<u>4%</u>	<u>7%</u>	<u>100%</u>	

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

Winston-Salem Rescue Mission, Inc.  
Statement of Cash Flows for the Year Ended June 30, 2019  
with Comparative Totals for 2018

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Cash flows from operating activities:

Cash received from donations	\$ 1,572,399	\$ 1,692,805
Store sales and other receipts	780,856	855,558
Interest and dividend income	27	5
Interest paid	(30,323)	(36,296)
Cash paid to suppliers and employees	<u>(2,290,512)</u>	<u>(2,187,277)</u>
Net cash provided (used) by operating activities	<u>32,447</u>	<u>324,795</u>

Cash flows from investing activities:

Purchases of property and equipment	(87,909)	(46,025)
Proceeds from sale of property and equipment	2,401	-
Net casualty claims	<u>-</u>	<u>162,460</u>
Net cash provided (used) by investing activities	<u>(85,508)</u>	<u>116,435</u>

Cash flows from financing activities:

Payments to reduce long-term debt	<u>(153,159)</u>	<u>(160,319)</u>
Net cash provided (used) by financing activities	<u>(153,159)</u>	<u>(160,319)</u>

Net increase (decrease) in cash

	(206,220)	280,911
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Cash at beginning of period

	<u>371,005</u>	<u>90,094</u>
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Cash at end of period

\$	<u><u>164,785</u></u>	\$ <u><u>371,005</u></u>
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Reconciliation of Decrease in Net Assets  
to Net Cash Provided (Used) by Operating Activities:

Increase (decrease) in net assets	\$ (104,799)	\$ 333,922
Adjustments:		
Depreciation	172,346	176,318
Net casualty claims	-	(162,460)
Gain from sale of property and equipment	2,473	-
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Inventory	(26,488)	4,565
Accounts receivable	(803)	(1,823)
Pledges receivable	20,000	(20,000)
Sales tax receivable	2,682	(2,795)
Increase (decrease) in:		
Accounts payable	(32,338)	24,323
Accrued payroll	(311)	4,047
Accrued employee benefits and taxes	(6)	483
Sales tax payable	(309)	335
Unearned revenue	<u>-</u>	<u>(32,120)</u>
Net cash provided (used) by operating activities	<u>\$ 32,447</u>	<u>\$ 324,795</u>

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



Winston-Salem Rescue Mission, Inc.  
Notes to Financial Statements  
June 30, 2019

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Winston-Salem Rescue Mission, Inc. (the "Organization", "Mission") was formed on June 19, 1967 under the laws of the state of North Carolina. The Organization is a non-profit, non-denominational, Christian social service organization established as a response to the hundreds of homeless men wandering the streets of the Triad area of North Carolina seeking food, shelter, and spiritual help. Since 1967, the Mission has been actively involved in meeting the physical, spiritual, emotional, and social needs of destitute people. Through services and programs offered, the Organization is able to reach out and effectively enrich men's lives with nurturing and rehabilitative services. Services provided by the Mission include providing residents with shelter, food, clothing, and other programs. Such programs include Christian counseling and recovery sessions, work therapy and training, chapel services, and financial and life skills classes. The Mission also provides emergency food and clothing, and is a host site of the Samaritan Clinic, who provides medical and dental clinics free of charge to other needy individuals in the Triad area. As approximately nine percent of the Mission's clients are veterans, the Organization also provides special services to veterans, including visits as needed by a Veterans Affairs representative.

The Mission operates primarily on volunteer contributions. The vast majority of support comes from individual donors; the balance from churches, organizations, and businesses. In addition to cash donations, the Organization receives gifts-in-kind donations, including food, furniture, clothing, appliances, household items, and vehicles. While many of these items are given to the needy in the community, other donated items are sold in the Mission's thrift stores. The sale of vehicles and merchandise sold in the thrift stores provide income for the Mission as well as work therapy opportunities for the residents.

**New Accounting Pronouncement**

On August 18, 2016 FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statement of Not-For-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about the expenses and investment return. The Corporation has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and liabilities.

Winston-Salem Rescue Mission, Inc.  
Notes to Financial Statements  
June 30, 2019

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements. Accordingly, actual results could differ from those estimates.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

### **Property and Equipment**

Property and equipment are stated at cost and have assigned lives ranging from three to forty years. Improvements and betterments are capitalized, while repairs and maintenance costs are expensed in the statement of activities. The Organization uses the straight-line method to record depreciation over the assets' useful lives. Estimated useful lives for various categories of property and equipment range between three and ten years, while buildings and improvements lives range between fifteen and forty years. Depreciation expense for the years ended June 30, 2019 and 2018 was \$172,347 and \$176,319, respectively.

### **Contributions**

Contributions are reported as without donor restrictions unless the donor has restricted the donation to a particular program or fund. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. If the donor has imposed two or more restrictions on a contribution, the expiration of those restrictions shall be recognized in the period in which the last remaining restriction has expired.

### **Advertising**

Advertising costs are charged to operations when incurred. Advertising expense for the years ended June 30, 2019 and 2018 was \$30,770 and \$22,512, respectively.

### **Income Taxes**

The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and is not a private foundation under Section 170(b)(1)(A)(vi). The Organization is also exempt from state income tax and, therefore, no provision for income tax has been made in the accompanying statement of activities. The Organization's federal *Return of Organization Exempt From Income Tax* (Form 990) for 2016 - 2019 are subject to examination by the IRS, generally for three years after they were filed.

Winston-Salem Rescue Mission, Inc.  
Notes to Financial Statements  
June 30, 2019

The Organization accounts for income taxes in accordance with ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 requires that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination.

The Organization has evaluated its tax positions and determined that it does not have any uncertain tax positions that meet the criteria under ASC 740. Accordingly, the provisions of ASC 740 did not have any impact on the accompanying financial statements.

### **Donated Goods and Services**

The Mission reports the fair value of gifts of food and grocery products over which it has control as unrestricted public support.

In addition, a number of individuals and organizations have made in-kind donations or volunteered their services to the Mission. For those services that do not require special expertise, the estimated value of such donated services has not been recorded in the financial statements. In-kind donations and services for which fair value can be validated and meet the criterion for recognition under ASC Topic 958 have been reflected in the financial statements at their fair value. Volunteer services were valued at \$14,292 for the year ended June 30, 2019 and \$14,852 for the year ended June 30, 2018.

### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon estimates developed by management. These expenses include cash and non-cash distributions (See Note 4).

## **2. CONCENTRATION OF RISK**

The Organization maintains in high quality financial institutions deposits that at times exceed the insured amounts of \$250,000 provided by the U.S. Federal Deposit Insurance Corporation (FDIC). There were no cash deposits in excess of the limit insured by the Federal Deposit Insurance Corporation at June 30, 2019. The excess amounts at June 30, 2018 were \$125,892. The Mission believes it is not exposed to any significant credit risk to cash.

## **3. AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets at June 30, 2019 and 2018:

Winston-Salem Rescue Mission, Inc.  
Notes to Financial Statements  
June 30, 2019

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 164,785	\$ 371,005
Accounts receivable	11,660	13,358
Pledges receivable	-	20,000
Total financial assets	<u>\$ 176,445</u>	<u>\$ 404,363</u>

The Organization's goal is to maintain cash and cash equivalents to meet 60 days of operating expenses. The Organization has a \$250,000 line of credit available to meet cash flow needs.

#### 4. INVENTORY AND DISTRIBUTIONS OF DONATED GOODS

The Mission recognized donations in-kind and contributed services revenue of \$1,758,402 and \$1,234,207 for the years ended June 30, 2019 and 2018, respectively. The Mission recorded total program non-cash distributions in the statement of functional expense amounting to \$1,730,013 and \$1,236,072 for the years ended June 30, 2019 and 2018, respectively.

Inventory activity for the years ended June 30, 2019 and 2018 was as follows:

	<u>Thrift Store Operations</u>	<u>Food and Clothing</u>	<u>Totals</u>
Inventory at June 30, 2017	\$ 48,134	139,497	\$ 187,631
In-kind donations	455,493	763,862	1,219,355
Retail value of inventory, scrap and vehicles sold to customers	(466,329)	-	(466,329)
Distributions of food and clothing	<u>-</u>	<u>(757,591)</u>	<u>(757,591)</u>
Inventory at June 30, 2018	37,298	145,768	183,066
In-kind donations	629,983	1,112,224	1,742,207
Retail value of inventory, scrap and vehicles sold to customers	(617,208)	-	(617,208)
Distributions of food and clothing	<u>-</u>	<u>(1,098,514)</u>	<u>(1,098,514)</u>
Inventory at June 30, 2019	<u>\$ 50,073</u>	<u>159,478</u>	<u>\$ 209,551</u>

Non-cash program expense distributions presented in the statement of functional expenses for the years ended June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Thrift Store	\$ 617,208	\$ 466,329
Donated food and clothing distribution	1,098,514	757,591
Contributed services	<u>14,292</u>	<u>12,152</u>
	<u>\$ 1,730,014</u>	<u>\$ 1,236,072</u>

Winston-Salem Rescue Mission, Inc.  
Notes to Financial Statements  
June 30, 2019

**5. PROPERTY AND EQUIPMENT**

Property and equipment was comprised of the following at June 30, 2019 and June 30, 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 536,645	\$ 536,645
Building	5,960,785	5,897,069
Machinery and equipment	227,249	224,062
Furniture and fixtures	191,026	183,532
Automotive and transportation equipment	<u>100,936</u>	<u>127,109</u>
Property and equipment	7,016,641	6,968,417
Less, accumulated depreciation	<u>(2,370,159)</u>	<u>(2,232,624)</u>
Property and equipment, net	<u>\$ 4,646,482</u>	<u>\$ 4,735,793</u>

**6. LINE OF CREDIT**

In addition to the debt described in Note 10, the Organization has the following lines of credit available. One line provides for borrowing up to \$250,000 and bears a variable interest rate of prime plus 0.0 percent. Payments of interest due on the outstanding balance are payable on a monthly basis. A second deed of trust on Winston-Salem Rescue Mission, Inc. property is assigned as collateral to the credit line and termination of the line is at the discretion of the Mission or the lender. There is also a one to one cash flow financial covenant on the credit line. There was not a balance outstanding for the years ended June 30, 2019 and 2018.

At the end of the June 30, 2019 fiscal year, the Organization was in the process of transitioning to a new banking partner. To provide full coverage, the existing line of credit account remained open while the new line of credit account was being set up. The second line of credit was opened during June, 2019. The Organization plans to close the former line of credit account by the end of December, 2019. The second line of credit provides for borrowing up to \$250,000 and bears a variable interest rate of prime plus 0.4 percent. Payments of interest due on the outstanding balance are payable on a monthly basis. A second deed of trust on Winston-Salem Rescue Mission, Inc. property is assigned as collateral to the credit line and termination of the line is at the discretion of the Mission or the lender. There was not a balance outstanding for the years ended June 30, 2019.

**7. PENSION PLAN**

The Organization has an Internal Revenue Code section 403(b) pension plan. Participation in the Plan is available on the first day of employment. Eligible employees elect to contribute a certain percentage of their salary to the plan. After 90 days of full-time service, the Mission matches 50% of employee contributions, up to a maximum matching contribution equal to 3% of their salary. For the years ended June 30, 2019 and 2018, the Mission's contributions to the 403(b) plan were \$12,314 and \$8,808, respectively.

Winston-Salem Rescue Mission, Inc.  
Notes to Financial Statements  
June 30, 2019

**8. NET ASSET CLASSIFICATION**

At June 30, 2019 and 2018, the net assets with donor restrictions were available for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Scholarships	\$ 6,423	\$ 7,199
Christmas Gifts	220	220
CSAC Training Grant	7,685	21,394
Pantry Equipment	232	-
AA New Tractor Fund	-	10,000
AA Recreation	372	220
Mayor Arts Project Proposal	150	150
Wilcox Building Renovations	-	2,188
Kitchen Equipment	-	945
	<u>\$ 15,082</u>	<u>\$ 42,316</u>

**9. FAIR VALUE MEASUREMENTS**

The Organization's financial instruments are cash and cash equivalents, accounts payable, accrued expenses, and long-term debt. The recorded value of cash and cash equivalents, accounts payable, and accrued expenses approximate their fair values based on their short-term nature. Management believes that the recorded values of long-term debt approximate fair value, as they believe interest rates approximate market rates based upon consideration of the issuer, purpose and repayment terms of the instruments held. There are no assets or liabilities of the Organization that are reported at fair value on a recurring basis.

**10. LONG-TERM DEBT**

Long-term debt at June 30, 2019 and June 30, 2018, consisted of the following:

	<u>2019</u>	<u>2018</u>
Note payable to First Citizens Bank, bearing interest at a fixed rate of 3.85 percent, with monthly installments of principal and interest of \$15,279 with the final installment due of all unpaid interest and principal on August 5, 2023. The note was secured by all land and improvements owned by the Mission except for Alpha Acres in Yadkinville, North Carolina.	\$ 690,437	\$ 843,596
Less: current portion of long-term debt	<u>145,608</u>	<u>153,266</u>
Total long-term debt, less current portion	<u>\$ 544,829</u>	<u>\$ 690,330</u>

Winston-Salem Rescue Mission, Inc.  
Notes to Financial Statements  
June 30, 2019

Scheduled principal maturities of long-term debt as of June 30, 2019 are as follows:

Year ending June 30,

2020	145,608
2021	164,998
2022	171,555
2023	178,373
2024	<u>29,903</u>
Total	<u>\$ 690,437</u>

#### **11. RECLASSIFICATION**

Certain amounts in the June 30, 2018 financial statements have been reclassified for comparative purposes to conform with the presentation in the June 30, 2019 financial statements.

#### **12. CASUALTY LOSS AND DAMAGES**

On July 20, 2017, a break-in occurred in which a fire was intentionally set inside the thrift store. The fire along with water from the sprinkler system caused enough damage that the thrift store had to close operations to repair the damages. The Mission lost approximately \$1,500 to \$2,000 every day that the thrift store was closed. The thrift store reopened on October 28, 2017.

The Mission paid \$304,238 in expenses for restoration of the store. The Mission received \$466,698 from Berkley National Insurance Company for claims made. The amount in excess of restoration cost, which amounted to \$162,460, is a result of business income loss for the days the thrift store was closed. The resulting revenue from the insurance claim is shown as "Insurance proceeds net of restoration expenses" on the Statement of Activities.

#### **13. SUBSEQUENT EVENTS**

The Organization has performed an evaluation of subsequent events through November 11, 2019, which is the date the financial statements were available to be issued.