



Winston-Salem Rescue Mission, Inc.

Financial Statements

June 30, 2024

WINSTON-SALEM RESCUE MISSION, INC.

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Winston-Salem Rescue Mission, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Winston-Salem Rescue Mission, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Winston-Salem Rescue Mission, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Winston-Salem Rescue Mission, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Winston-Salem Rescue Mission, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Deena Ashe, P.A.

Greensboro, North Carolina
November 12, 2024

Winston-Salem Rescue Mission, Inc.
Statement of Financial Position
June 30, 2024 with
Comparative Totals for 2023

	2024	2023
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 1,930,027	\$ 1,908,466
Inventory		
Thrift store inventory	14,930	12,698
Furniture and appliance inventory	51,536	52,052
Food and groceries inventory	136,757	105,637
Accounts receivable	6,647	4,383
Sales tax receivable	16,888	11,204
Prepaid expenses	570	570
	2,157,355	2,095,010
Restricted deposits:		
Cash - donor designated	18,217	23,942
	18,217	23,942
Noncurrent assets:		
Property and equipment, at cost, net of accumulated depreciation of \$2,970,365 and \$2,766,753	4,243,204	4,366,532
Financing right-of-use assets	118,450	159,488
	6,537,226	6,644,972
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 39,133	\$ 54,561
Accrued salaries and wages	71,881	68,401
Accrued employee benefits and taxes	671	754
Sales tax payable	3,752	4,525
Current portion of financing lease	40,106	41,997
	155,543	170,238
Noncurrent liabilities:		
Noncurrent portion of financing lease	83,582	123,688
	83,582	123,688
Total liabilities	239,125	293,926
Net assets:		
Net assets without donor restrictions	6,279,884	6,327,104
Net assets with donor restrictions	18,217	23,942
	6,298,101	6,351,046
Total liabilities and net assets	\$ 6,537,226	\$ 6,644,972

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

Winston-Salem Rescue Mission, Inc.
Statement of Activities
Year Ended June 30, 2024 with
Comparative Totals for 2023

	Without Donor Restrictions	With Donor Restrictions	2024 Totals	2023 Totals
Revenues, Gains and Other Support:				
Contributions	\$ 2,561,257	7,224	\$ 2,568,481	\$ 2,530,113
Donations in-kind (See Note 6)	1,606,732	-	1,606,732	1,487,019
Contributed services	300	-	300	975
Sales to public:				
Sale of donated inventory	796,607	-	796,607	776,999
Sale of donated automobiles	980	-	980	-
Total sales to public	<u>797,587</u>	<u>-</u>	<u>797,587</u>	<u>776,999</u>
Fundraising events (net of expenses)	100,074	-	100,074	61,977
Program fees	90,252	-	90,252	82,294
Interest income	46,864	-	46,864	11,109
Other income	392	-	392	872
Net assets released from restriction	12,949	(12,949)	-	-
Total revenues	<u>5,216,407</u>	<u>(5,725)</u>	<u>5,210,682</u>	<u>4,951,358</u>
Functional Expenses:				
Program services	3,979,726	-	3,979,726	3,746,907
Management and general	551,081	-	551,081	392,242
Fundraising	732,820	-	732,820	792,162
Total functional expenses	<u>5,263,627</u>	<u>-</u>	<u>5,263,627</u>	<u>4,931,311</u>
Change in net assets	(47,220)	(5,725)	(52,945)	20,047
Net assets at beginning of year	<u>6,327,104</u>	<u>23,942</u>	<u>6,351,046</u>	<u>6,330,999</u>
Net assets at end of year	<u>\$ 6,279,884</u>	<u>18,217</u>	<u>\$ 6,298,101</u>	<u>\$ 6,351,046</u>

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

Winston-Salem Rescue Mission, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024 with
Comparative Totals for 2023

	Program Services	Management and General	Fundraising	2024 Totals	2023 Totals
Salaries and related expenses:					
Salaries	\$ 1,351,977	448,626	-	\$ 1,800,603	\$ 1,660,351
Employee benefits	31,600	10,536	-	42,136	46,808
Payroll taxes	100,549	33,516	-	134,065	123,632
Total salaries and related expenses	<u>1,484,126</u>	<u>492,678</u>	<u>-</u>	<u>1,976,804</u>	<u>1,830,791</u>
Other cash expenses:					
Bank fees	43,151	-	-	43,151	33,395
Bad debts	-	-	-	-	54
Client expenses - other	14,453	-	-	14,453	12,511
Computer expenses	57,095	3,005	-	60,100	49,059
Depreciation and amortization	234,792	12,357	-	247,149	221,419
Dues and subscriptions	8,187	431	-	8,618	8,332
Educational expenses	5,173	-	-	5,173	11,338
Food	28,115	-	-	28,115	32,743
Fundraising - consultant and other	-	-	540,975	540,975	663,776
Garbage disposal	22,259	-	-	22,259	24,153
Gas and oil	21,637	-	-	21,637	25,023
Insurance	136,870	13,299	-	150,169	138,302
Interest	4,401	-	-	4,401	2,216
Kitchen expenses	8,427	-	-	8,427	11,939
Office supplies	11,201	712	-	11,913	9,472
Postage	8,306	548	191,845	200,699	12,572
Professional fees	-	16,475	-	16,475	14,975
Promotional expenses	22,615	-	-	22,615	23,162
Repairs and maintenance - facilities	78,986	878	-	79,864	83,660
Repairs and maintenance - vehicles	24,492	-	-	24,492	31,732
Repairs and maintenance - other	28,586	-	-	28,586	36,201
Staff expenses	7,614	2,538	-	10,152	3,675
Store expenses	9,083	-	-	9,083	12,936
Taxes and licenses	1,590	16	-	1,606	1,598
Travel/Meals	2,623	874	-	3,497	2,285
Utilities	138,121	7,270	-	145,391	140,512
Vehicle rentals and leases	3,627	-	-	3,627	3,503
Total other cash expenses	<u>2,405,530</u>	<u>551,081</u>	<u>732,820</u>	<u>3,689,431</u>	<u>3,441,334</u>
Non-cash distributions (See Note 6):					
Thrift store - merchandise	797,587	-	-	797,587	776,999
Distributions of food and clothing	776,309	-	-	776,309	712,003
Contributed services	300	-	-	300	975
Total non-cash distributions	<u>1,574,196</u>	<u>-</u>	<u>-</u>	<u>1,574,196</u>	<u>1,489,977</u>
Total functional expenses	<u>\$ 3,979,726</u>	<u>551,081</u>	<u>732,820</u>	<u>\$ 5,263,627</u>	<u>\$ 4,931,311</u>
Functional expenses by percent	<u>76%</u>	<u>10%</u>	<u>14%</u>	<u>100%</u>	

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

Winston-Salem Rescue Mission, Inc.
Statement of Cash Flows
Year Ended June 30, 2024 with
Comparative Totals for 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Cash received from donations	\$ 2,520,193	\$ 2,530,110
Store sales and other receipts	1,027,220	919,694
Interest and dividend income	46,864	11,109
Interest paid	(4,401)	(2,216)
Cash paid to suppliers and employees	<u>(3,449,261)</u>	<u>(3,174,579)</u>
Net cash provided (used) by operating activities	<u>140,615</u>	<u>284,118</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(82,782)</u>	<u>(203,733)</u>
Net cash provided (used) by investing activities	<u>(82,782)</u>	<u>(203,733)</u>
Cash flows from financing activities:		
Repayment of financing lease liability	<u>(41,997)</u>	<u>(26,681)</u>
Net cash provided (used) by financing activities	<u>(41,997)</u>	<u>(26,681)</u>
Net increase (decrease) in cash	15,836	53,704
Cash, cash equivalents, and restricted cash - beginning of period	<u>1,932,408</u>	<u>1,878,704</u>
Cash, cash equivalents, and restricted cash - end of period	<u>\$ 1,948,244</u>	<u>\$ 1,932,408</u>
<u>Reconciliation of Change in Net Assets to</u>		
<u>Net Cash Provided (Used) by Operating Activities:</u>		
Increase (decrease) in net assets	\$ (52,945)	\$ 20,047
Adjustments:		
Depreciation and amortization	247,149	221,419
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Inventory	(32,836)	1,983
Accounts receivable	(2,265)	(802)
Sales tax receivable	(5,684)	(1,079)
Prepaid expenses	-	(570)
Increase (decrease) in:		
Accounts payable	(15,428)	27,565
Accrued salaries and wages	3,480	19,787
Accrued employee benefits and taxes	(83)	420
Sales tax payable	(773)	288
Deferred revenue and other liabilities	<u>-</u>	<u>(4,940)</u>
Net cash provided (used) by operating activities	<u>\$ 140,615</u>	<u>\$ 284,118</u>

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

Winston-Salem Rescue Mission, Inc.
Notes to Financial Statements
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Winston-Salem Rescue Mission, Inc. (the "Organization" or "Mission") was formed on June 19, 1967 under the laws of the state of North Carolina. The Organization is a nonprofit, 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.

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 store. The sale of vehicles and merchandise sold in the thrift store provides income for the Mission as well as work therapy opportunities for the residents.

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.

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, 2024 and 2023 was \$206,111 and \$195,752, respectively.

Winston-Salem Rescue Mission, Inc.
Notes to Financial Statements
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Contributions

Contributions are reported as without donor restrictions unless the donor has restricted the donation to a particular use. 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, 2024 and 2023 was \$21,300 and \$22,600, 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 2021 - 2023 are subject to examination by the IRS, generally for three years after they were filed.

The Organization accounts for income taxes in accordance with Accounting Standard Codification ("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. (Note 6)

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.

Winston-Salem Rescue Mission, Inc.
Notes to Financial Statements
June 30, 2024

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 (Note 6).

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). The excess amounts at June 30, 2024 and 2023 were \$1,199,896 and \$1,181,008, respectively. The Mission believes that credit risk to cash is remote and mitigated by the use of nationally recognized banking institutions.

3. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

Restricted cash amounts are restricted from general corporate use and consist of client savings. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet that sum to the total of the amounts shown in the statement of cash flows.

June 30,	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,930,027	\$ 1,908,466
Restricted deposits	<u>18,217</u>	<u>23,942</u>
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$ 1,948,244</u>	<u>\$ 1,932,408</u>

4. AVAILABILITY AND LIQUIDITY

The Organization's goal is to maintain financial assets to meet 60 days of operating expenses. At fiscal year end, financial assets were as follows:

June 30,	<u>2024</u>	<u>2023</u>
Cash, cash equivalents, and restricted cash	\$ 1,948,244	\$ 1,932,408
Accounts receivable	<u>23,535</u>	<u>15,587</u>
Total financial assets	1,971,779	1,947,995
Less:		
Amounts with donor restrictions	<u>(18,217)</u>	<u>(23,942)</u>
Financial assets available to meet general, short-term cash needs	<u>\$ 1,953,562</u>	<u>\$ 1,924,053</u>

5. 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.

Winston-Salem Rescue Mission, Inc.
Notes to Financial Statements
June 30, 2024

6. INVENTORY AND DISTRIBUTIONS OF DONATED GOODS

The Mission recognized donations in-kind and contributed services revenue of \$1,607,032 and \$1,487,994 for the years ended June 30, 2024 and 2023, respectively. The Mission recorded total program non-cash distributions in the statement of functional expense amounting to \$1,574,196 and \$1,489,977 for the years ended June 30, 2024 and 2023, respectively.

Inventory activity for the years ended June 30, 2024 and 2023 was as follows:

	<u>Thrift Store Operations</u>	<u>Food and Groceries</u>	<u>Totals</u>
Inventory at June 30, 2022	\$ 51,324	121,046	\$ 172,370
In-kind donations	790,425	696,594	1,487,019
Retail value of inventory, scrap and vehicles sold to customers	(776,999)	-	(776,999)
Distributions of food and groceries	<u>-</u>	<u>(712,003)</u>	<u>(712,003)</u>
Inventory at June 30, 2023	64,750	105,637	170,387
In-kind donations	799,303	807,429	1,606,732
Retail value of inventory, scrap and vehicles sold to customers	(797,587)	-	(797,587)
Distributions of food and groceries	<u>-</u>	<u>(776,309)</u>	<u>(776,309)</u>
Inventory at June 30, 2024	<u>\$ 66,466</u>	<u>136,757</u>	<u>\$ 203,223</u>

Non-cash program expense distributions presented in the statement of functional expenses were as follows:

Years ended June 30,	<u>2024</u>	<u>2023</u>
Thrift store	\$ 797,587	\$ 776,999
Donated food and groceries distribution	776,309	712,003
Contributed services	<u>300</u>	<u>975</u>
	<u>\$ 1,574,196</u>	<u>\$ 1,489,977</u>

7. DONATED GOODS AND SERVICES

Donated goods and services included in the financial statements were as follows:

Years ended June 30,	<u>2024</u>	<u>2023</u>
Donations in-kind		
Clothing	\$ 181,390	\$ 155,716
Food	807,430	696,594
Furniture and appliances	235,778	245,727
Other items	<u>382,134</u>	<u>388,982</u>
	1,606,732	1,487,019
Contributed services	<u>300</u>	<u>975</u>
	<u>\$ 1,607,032</u>	<u>\$ 1,487,994</u>

Winston-Salem Rescue Mission, Inc.
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8. PROPERTY AND EQUIPMENT

Property and equipment was comprised of the following at fiscal years ended:

June 30,	<u>2024</u>	<u>2023</u>
Land	\$ 536,645	\$ 536,645
Building	6,017,771	5,990,346
Machinery and equipment	264,116	260,276
Furniture and fixtures	273,749	224,730
Automotive and transportation equipment	<u>121,288</u>	<u>121,288</u>
Property and equipment	7,213,569	7,133,285
Less accumulated depreciation	<u>(2,970,365)</u>	<u>(2,766,753)</u>
Property and equipment, net	<u>\$ 4,243,204</u>	<u>\$ 4,366,532</u>

9. LEASE COMMITMENTS

The Organization has five leases that were adapted according to ASC 842. These leases, which will expire between 2025 and 2030, call for fixed payments, annual increases, plus upkeep and/or improvement requirements. Variable payments are not determinable at the lease commencement and are not included in the measurement of the lease assets and liabilities. Certain leases include a right to extend the lease upon mutual agreement of both parties. If it is reasonably likely the extension will be exercised, the extended term is included in the measurement of the lease assets and liabilities. Amounts not a part of the main asset being leased, but included in the leasing contract, are excluded from the calculation of the present value of the lease.

The Organization includes right-of-use assets in non-current assets and lease liabilities in current and non-current liabilities on the statement of financial position. At June 30, 2024, the weighted-average remaining lease term was 5 years and 3 months, and the discount rate determined to be used to calculate the present value of the lease liability was 3%. Carrying values for the leases are as follows:

	<u>2024</u>	<u>2023</u>
Finance lease agreement of vehicle for 7 years with Salem Leasing Corporation commencing in May of 2018 and ending in May of 2025. Fixed monthly rental charges amount to \$991, due on the first of the month. The lessor reserves the right to adjust payments based on CPI index.	\$ 10,925	\$ 23,065
Finance lease agreement of vehicle for 7 years with Salem Leasing Corporation commencing in May of 2018 and ending in May of 2025. Fixed monthly rental charges amount to \$991, due on the first of the month. The lessor reserves the right to adjust payments based on CPI index.	10,925	23,065
Finance lease agreement of copier for 5 years with Sharp Business Systems commencing in July of 2021 and ending in July of 2026. Monthly payments amount to \$205.	4,737	7,001

Winston-Salem Rescue Mission, Inc.
Notes to Financial Statements
June 30, 2024

	<u>2024</u>	<u>2023</u>
Finance lease agreement of postage machine lasting 5 years with Quadient Leasing commencing in January of 2023, and ending in January of 2028. Monthly payments amount to \$525.	6,482	8,353
Finance lease agreement of vehicle for 7 years with Salem Leasing Corporation commencing in June of 2023 and ending in June of 2030. Fixed monthly rental charges amount to \$1,377, due on the first of the month. The lessor reserves the right to adjust payments based on CPI index.	<u>90,619</u>	<u>104,201</u>
Total lease liability	123,688	165,685
Less current maturities	<u>(40,106)</u>	<u>(41,997)</u>
Noncurrent portion	<u>\$ 83,582</u>	<u>\$ 123,688</u>

The future minimum cash payments for the finance leases are:

2025	\$	43,232
2026		21,066
2027		18,623
2028		17,047
2029		16,522
Thereafter		<u>16,522</u>
Total remaining payments on lease liabilities		133,012
Less amount of lease payments representing interest		<u>(9,324)</u>
Present value of future minimum lease payments		123,688
Less: current liabilities under leases		<u>(40,106)</u>
Long-term lease liabilities	\$	<u>83,582</u>

10. 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, 2024 and 2023, the Mission's contributions to the 403(b) plan were \$18,426 and \$17,885, respectively.

Winston-Salem Rescue Mission, Inc.
Notes to Financial Statements
June 30, 2024

11. NET ASSET CLASSIFICATION

Net assets with donor restrictions were available for the following purposes:

June 30,	<u>2024</u>	<u>2023</u>
Scholarships	\$ 4,561	\$ 5,041
Donor appreciation	1,007	263
Food pantry	-	4,134
Holiday food boxes	-	655
NLC chapel AV upgrade	-	3,695
Food purchase LBC	25	-
Fire rehousing appeal funds	9,570	9,570
Resident recreation	603	384
Bottled water	200	200
Programs/ Wish list	1,495	-
Outreach	<u>756</u>	<u>-</u>
	<u>\$ 18,217</u>	<u>\$ 23,942</u>

12. RECLASSIFICATION ADJUSTMENTS

For comparative purposes, certain amounts in the June 30, 2023 financial statements have been reclassified to conform with the presentation in the June 30, 2024 financial statements.

13. SUBSEQUENT EVENTS

The Organization has performed an evaluation of subsequent events through November 12, 2024, which is the date the financial statements were available to be issued.