

Peoria Rescue Ministries

Annual Financial Report

December 31, 2020



PEORIA RESCUE MINISTRIES
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Peoria Rescue Ministries

Opinion

We have audited the accompanying financial statements of Peoria Rescue Ministries (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 Peoria Rescue Ministries as of December 31, 2020, 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.

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 Peoria Rescue Ministries 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 Peoria Rescue Ministries 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 auditor's 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, including omissions, 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 Peoria Rescue Ministries' 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 Peoria Rescue Ministries' 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 Peoria Rescue Ministries' 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hjerpe & Tannison CPAs, LLC

Pekin, IL

May 18, 2021

PEORIA RESCUE MINISTRIES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,880,761	\$ 2,484,114
Prepaid expenses	74,607	34,413
Accounts receivable	124,536	156,914
Notes receivable - receivable within a year	3,327	3,197
Inventory	78,593	181,508
TOTAL CURRENT ASSETS	3,161,824	2,860,146
PROPERTY AND EQUIPMENT		
Land	499,919	499,919
Buildings	4,327,500	4,235,420
Equipment	1,819,801	1,782,976
	6,647,220	6,518,315
Less: accumulated depreciation	(3,887,836)	(3,733,496)
TOTAL PROPERTY AND EQUIPMENT	2,759,384	2,784,819
OTHER NONCURRENT ASSETS		
Notes receivable - receivable in more than one year	5,244	8,571
TOTAL NONCURRENT ASSETS	2,764,628	2,793,390
TOTAL ASSETS	\$ 5,926,452	\$ 5,653,536
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 22,547	\$ 27,975
Accrued payroll expenses	223,116	122,955
TOTAL CURRENT LIABILITIES	245,663	150,930
TOTAL LIABILITIES	245,663	150,930
NET ASSETS		
Net assets without donor restrictions		
Designated for operations	2,921,405	2,717,787
Invested in property and equipment	2,759,384	2,784,819
TOTAL NET ASSETS	5,680,789	5,502,606
TOTAL LIABILITIES AND NET ASSETS	\$ 5,926,452	\$ 5,653,536

See independent auditor's report and accompanying notes to financial statements

**PEORIA RESCUE MINISTRIES
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
	Without Donor Restriction	Without Donor Restriction
	<u> </u>	<u> </u>
REVENUES, GAINS AND OTHER SUPPORT		
Support from the public and programs:		
Contributions	\$ 2,968,334	\$ 2,706,216
In-kind contributions	627,447	681,911
Wood product sales	758,446	712,778
Banquet/special events	254,433	177,443
Purchased vehicle program revenue	-	15,315
Total public support	<u>4,608,660</u>	<u>4,293,663</u>
Investment revenue:		
Interest revenue	12,735	31,438
Total investment revenue	<u>12,735</u>	<u>31,438</u>
Other revenue:		
Speaker fees	1,625	4,125
Gain (loss) on sale of assets	3,638	2,500
Other revenue	15,570	15,188
Total other revenue	<u>20,833</u>	<u>21,813</u>
 Total revenue	 <u>4,642,228</u>	 <u>4,346,914</u>
 EXPENSES		
Program services:		
Downtown Mission	1,318,603	1,189,017
Victory Acres	650,628	494,772
Empower Life Center	275,788	255,481
Barnabas Center	221,894	152,191
Esther House	624,478	702,926
International Ministries	165,535	145,912
Thrift Shop	182,588	169,321
Total program services	<u>3,439,514</u>	<u>3,109,620</u>
Supporting services:		
Development	577,732	595,315
Management and general	446,799	492,421
Total supporting services	<u>1,024,531</u>	<u>1,087,736</u>
 Total program and supporting services expenses	 <u>4,464,045</u>	 <u>4,197,356</u>
 CHANGE IN NET ASSETS	 178,183	 149,558
 NET ASSETS, beginning of year	 <u>5,502,606</u>	 <u>5,353,048</u>
 NET ASSETS, end of year	 <u>\$ 5,680,789</u>	 <u>\$ 5,502,606</u>

See independent auditor's report and accompanying notes to financial statements

PEORIA RESCUE MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(with comparative totals for the year ended December 31, 2019)

	Program Services					
	Downtown Mission	Victory Acres	Empower Life Center	Barnabas Center	Esther House	International Ministries
Salaries and related expenses	\$ 723,976	\$ 199,208	\$ 191,748	\$ 174,795	\$ 453,768	\$ -
Stipends	12,970	22,850	-	-	4,900	-
Promotion	91	-	-	-	-	-
Appeals and letters	-	-	-	-	-	-
Supplies	16,009	3,532	4,659	4,339	7,787	35
Banquet/Special events	-	-	-	-	-	-
Wood product	-	173,260	-	-	-	-
Donated vehicle repairs	20,924	-	-	-	-	-
Mission support	-	-	-	-	-	165,500
Utilities	57,129	23,658	13,383	9,928	34,044	-
Food expense	4,901	303	-	25	1,201	-
Client expense	11,380	2,008	2,144	47	7,475	-
Transportation	12,010	13,136	-	-	1,039	-
Insurance	26,559	26,271	8,504	3,682	16,249	-
Equipment repairs	19,616	36,399	9,757	3,934	12,556	-
Building repairs and maintenance	36,327	15,059	3,530	5,162	12,627	-
Conferences	1,475	-	2,791	-	-	-
Professional fees	16,935	-	715	45	1,746	-
Program materials	2,833	273	3,741	456	997	-
Payroll processing	-	-	-	-	-	-
Donations	269,707	39,566	19,852	-	27,341	-
Bad debt expense	6,000	-	-	-	-	-
Other expenses	38,943	3,036	1,404	1,429	1,253	-
Subtotal	1,277,785	558,559	262,228	203,842	582,983	165,535
Depreciation	40,818	92,069	13,560	18,052	41,495	-
Total	\$ 1,318,603	\$ 650,628	\$ 275,788	\$ 221,894	\$ 624,478	\$ 165,535

See independent auditor's report and accompanying notes to financial statements

PEORIA RESCUE MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES - Continued
FOR THE YEAR ENDED DECEMBER 31, 2020
(with comparative totals for the year ended December 31, 2019)

		Supporting Services				
Thrift Shop	Total Program Services	Development	Management and General	Total Supporting Services	2020 Total Expenses	2019 Total Expenses
\$ 126,414	\$ 1,869,909	\$ 180,223	\$ 329,395	\$ 509,618	\$ 2,379,527	\$ 2,126,987
1,495	42,215	-	-	-	42,215	43,825
-	91	73,320	3,773	77,093	77,184	105,716
-	-	229,011	-	229,011	229,011	211,107
759	37,120	1,429	26,583	28,012	65,132	84,438
-	-	81,044	-	81,044	81,044	97,585
-	173,260	-	-	-	173,260	33,705
-	20,924	-	-	-	20,924	43,703
-	165,500	-	-	-	165,500	139,600
13,921	152,063	506	3,647	4,153	156,216	170,423
-	6,430	-	-	-	6,430	4,888
-	23,054	-	-	-	23,054	22,812
8,168	34,353	-	6,263	6,263	40,616	56,677
6,195	87,460	751	3,423	4,174	91,634	119,771
1,797	84,059	8,414	5,641	14,055	98,114	100,620
5,535	78,240	-	-	-	78,240	88,815
-	4,266	-	635	635	4,901	11,652
990	20,431	1,200	18,789	19,989	40,420	31,544
250	8,550	195	-	195	8,745	14,852
-	-	-	6,432	6,432	6,432	6,481
1,591	358,057	-	-	-	358,057	411,722
-	6,000	-	-	-	6,000	2,830
731	46,796	1,639	34,027	35,666	82,462	35,868
167,846	3,218,778	577,732	438,608	1,016,340	4,235,118	3,965,621
14,742	220,736	-	8,191	8,191	228,927	231,735
<u>\$ 182,588</u>	<u>\$ 3,439,514</u>	<u>\$ 577,732</u>	<u>\$ 446,799</u>	<u>\$ 1,024,531</u>	<u>\$ 4,464,045</u>	<u>\$ 4,197,356</u>

See independent auditor's report and accompanying notes to financial statements

**PEORIA RESCUE MINISTRIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 178,183	\$ 149,558
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	228,927	231,735
(Gain) loss on sale of assets	(3,638)	-
(Increase) decrease in assets:		
Accounts receivable	32,378	53,489
Notes receivable	3,197	3,070
Inventory	102,915	(38,445)
Prepaid expenses	(40,194)	(6,255)
Increase (decrease) in liabilities:		
Accounts payable	(5,428)	(8,356)
Accrued payroll expenses	100,161	6,514
CASH PROVIDED BY OPERATING ACTIVITIES	596,501	391,310
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of assets	9,300	-
Cash paid for purchases of fixed assets	(209,154)	(269,297)
CASH USED FOR INVESTING ACTIVITIES	(199,854)	(269,297)
 NET INCREASE IN CASH	396,647	122,013
 CASH AT BEGINNING OF YEAR	2,484,114	2,362,101
 CASH AT END OF YEAR	\$ 2,880,761	\$ 2,484,114
 CASH PAID DURING THE YEAR FOR:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

See independent auditor's report and accompanying notes to financial statements.

Peoria Rescue Ministries
Notes to the Financial Statements
December 31, 2020

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Peoria Rescue Ministries is a faith-based organization that ministers to the spiritual, physical, and emotional needs of individuals and families. The Organization operates Residential ministries, which include Men's and Women's Emergency Shelter services and Residential Renewal Communities, and Community ministries, which include the Empower Life Center, providing pregnancy and parenting advocacy and the Barnabas Center, providing counseling services to residents and the community.

In addition, the Organization engages in activities at Victory Acres, which includes pallet recycling, mulch manufacturing and sales. Sales of pallets to Caterpillar, Inc. account for 10% of Peoria Rescue Ministries' total revenue. The Organization provides funding support from these activities for biblical training centers in Riga, Latvia and Kiev, Ukraine, as well as support of a missionary in Kiev, Ukraine. The Organization also operates a retail thrift store. Peoria Rescue Ministries receives the majority of its funding from charitable contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL STATEMENT PRESENTATION

Peoria Rescue Ministries reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions based upon the existence or absence of donor-imposed restrictions. The Organization had no assets restricted by purpose or time or restricted in perpetuity.

B. BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

C. PRIOR YEAR SUMMARIZED FINANCIAL INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

D. INCOME TAX STATUS

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal or state income taxes. The Organization is not classified as a private foundation. By statute, the Organization's federal information return, Form 990, for tax years 2018, 2019, and 2020 remain subject to examination by taxing authorities.

U.S. generally accepted accounting principles require management to evaluate tax positions taken and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by applicable taxing authorities. Management has analyzed the tax positions taken and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. Peoria Rescue Ministries is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. ESTIMATES

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

F. CASH EQUIVALENTS

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within one year of purchase.

G. INVENTORIES

Inventories, consisting largely of pallet and wood chip raw materials, are held at Victory Acres. They are stated at their estimated fair values at year-end. Vehicles, thrift store, and contributed assets are also stated at estimated fair values. Inventory consisted of the following:

	2020	2019
Pallets & wood chips	\$ 25,012	\$ 128,900
Vehicles	10,340	10,340
Thrift store merchandise	16,756	15,783
Contributed assets	26,485	26,485
Total	\$ 78,593	\$ 181,508

H. PROPERTY AND EQUIPMENT

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$2,000. Depreciation is provided on a straight-line basis over the estimated useful lives of the depreciable assets which range from five to forty years. All gifts of property are classified as unrestricted. Depreciable assets are valued at cost if purchased and at fair value if contributed. The depreciation asset classes and useful lives at Peoria Rescue Ministries are as follows:

Asset	Useful Life in Years
Land	-
Buildings	40
Leasehold improvements	20
Equipment	7 - 10
Vehicles and Computer	5

I. ACCOUNTS RECEIVABLE

Accounts receivable for Peoria Rescue Ministries arise from the sale of pallets and wood chips at Victory Acres, the sale of purchased and donated vehicles, and unconditional contributions receivable. The balance as of December 31, 2020 includes \$99,561 from the sale of pallets and wood chips, \$24,075 in unconditional receivables, and \$900 from the sale of purchased or donated vehicles. The receivables are deemed by management to be fully collectible. No reserve is provided for bad debt as they are minimal and reflected as incurred. During the fiscal year ending December 31, 2020, there was \$6,000 in bad debt write offs related to the vehicle sale program. Wood product accounts receivable are considered to be past due if payment has not been received within 30 days.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

I. ACCOUNTS RECEIVABLE – Continued

Peoria Rescue Ministries does not charge interest on past due accounts. Accounts to be written off are determined on a case-by-case basis.

J. NOTES RECEIVABLE

On May 24, 2016, a note receivable was entered into for the sale of a real estate property and is secured by the real estate. The note is payable in monthly installments of \$300.71, including interest of 4% with the final payment due in June 2023. Interest is recognized when received. Peoria Rescue Ministries carries its note receivable at cost. Future payments for this note are as follows:

Fiscal Year Ending	Principal	Interest
December 31, 2021	\$ 3,327	\$ 282
December 31, 2022	3,462	147
December 31, 2023	1,782	21
Total	\$ 8,571	\$ 450

K. NET ASSETS

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.
- Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

L. CONTRIBUTIONS

Contributions received are recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service. Peoria Rescue Ministries generally recognizes contributions in the year received at fair value, with gifts-in-kind determined as follows:

Gifts-in-kind. Gifts-in-kind include donated vehicles, food, clothing, and other assets. The value of the donated vehicles is recorded as in-kind contributions at the sales price of that vehicle when it is sold. The value of the donated food and clothing is recognized as in-kind contributions with a corresponding expense for programs when consumed at an estimated value of \$2.30 per meal served and \$3.60 per article of clothing provided.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

L. CONTRIBUTIONS – Continued

Management believes these estimated values for donated food and clothing are conservative based on the cost and value studies performed. Other assets donated are recorded at estimated fair value on the date received.

Donated Services. Donated Services are generally not recognized unless the services (1) create or enhance a non-financial asset (such as a building), or (2) are specialized skills provided by entities or persons possessing those skills (such as physicians or accountants) and would be purchased if they were not donated.

M. FUNCTIONAL EXPENSES

Expenses are charged to program services based on direct expenditures incurred. Any expenditures not directly chargeable are allocated between program and supporting services based on related salary expenses.

NOTE 3 – CONCENTRATION OF CREDIT RISK

Peoria Rescue Ministries maintains its cash balance in one checking account at one financial institution. A Money Market Account, Insured Sweep Account and Certificates of Deposit are held at a separate financial institution. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC insured); however, they may subject the Organization to concentrations of credit risk, as, from time to time, balances may exceed amounts insured by the FDIC. Management considers this to be a normal business risk. At December 31, 2020, \$102,826 of Peoria Rescue Ministries' bank balances were uninsured.

The majority of the Organization's contributions and fundraising sales revenue are received from individuals located in the central Illinois area. As such, the Organization's ability to generate resources via contributions is dependent upon the economic health of that area. An economic downturn could cause a decrease in contributions and sales that coincides with an increase in demand for the Organization's services.

NOTE 4 – GIFTS-IN-KIND AND DONATED SERVICES

Occasionally the Organization receives donations of fixed assets. These fixed assets are capitalized and are included in the statement of financial position. During 2020, flooring at a value of \$9,752 was donated to the Organization for the rescue mission building.

As described in Note 2, Peoria Rescue Ministries receives various non-cash gifts, primarily vehicles, food, and clothing and recognizes them as contributions as the gifts are utilized. Generally, these gifts-in-kind are utilized in the same year they are received. Gifts-in-kind received and distributed included in the statements of activities are summarized as follows:

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2020

NOTE 4 – GIFTS-IN-KIND AND DONATED SERVICES – Continued

	2020	2019
Gifts-in-kind received		
Thrift store donations	\$ 150,776	\$ 165,717
Vehicles	101,244	92,258
Food	164,979	211,699
Clothing	140,717	146,088
Diapers and formula	15,384	7,976
Personal hygiene items	35,219	43,756
Other items	18,159	12,017
	626,478	679,511
Donated legal services	969	2,400
Total gifts-in-kind received	\$ 627,447	\$ 681,911

Management has concluded that medical services would not be purchased for the program if they were not donated. As such, no amount was recorded in the financial statements. The Organization received numerous other volunteer services throughout the year, which also do not meet the criteria for being recorded and as such, are not reflected in these financial statements.

NOTE 5 – WOOD PRODUCT EXPENSES

As part of Peoria Rescue Ministries' Victory Acres program, residents are involved in a work program that repairs, recycles, and mulches donated wood pallets. The following is a detail of the expense summarized on the Statement of Functional Expenses:

	2020	2019
<u>Wood Product Expense</u>		
Pallet production	\$ 29,420	\$ 24,835
Wood chip production	38,211	43,154
Shop expense	1,741	4,173
Year end inventory adjustment	103,888	(38,457)
	\$ 173,260	\$ 33,705

NOTE 6 – RETIREMENT PLAN

The Organization maintains a SIMPLE-IRA retirement plan. Participation is limited to employees who received at least \$5,000 in compensation in the prior year, or who can reasonably be expected to receive at least \$5,000 in compensation in the current calendar year. Employee participation is subject to a 90-day probation period. The Organization provides a matching contribution equal to the employee's contributions up to a limit of 3% of compensation earned. The 2020 matching contribution amount was \$38,190 and is included in accrued payroll expenses on the Statement of Net Position and salaries and related expenses in the Statement of Functional Expenses.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2020

NOTE 7 – LIQUIDITY AND FUNDS AVAILABILITY

The following table reflects the Organization’s financial assets as of December 31, 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for other, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long-term investment as board designated endowments.

	December 31,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 2,880,761	\$ 2,484,114
Accounts and notes receivable	133,107	168,682
Financial assets, at year end	3,013,868	2,652,796
Less those unavailable for general expenditures within one year due to:		
Noncurrent portion of notes receivable	(5,244)	(8,571)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,008,624	\$ 2,644,225

Peoria Rescue Ministries has \$3,008,624 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures after subtracting \$5,244 of the financial assets which are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. Other expenditures are also funded by contributions as collected. In the event of an unanticipated liquidity need, the Organization could borrow from a local bank using the fixed assets as collateral.

NOTE 8 – COMPENSATED ABSENCES – VACATION POLICY

Peoria Rescue Ministries revised their vacation policy in 2020. According to the guidelines of the revised policy, the Organization had an accrual for vacation time earned and payable as of December 31, 2020 of \$53,520, which is reported in accrued payroll expenses on the Statement of Net Position.

NOTE 9 – RISKS AND UNCERTAINTIES

In March 2020, the COVID-19 virus was declared a global pandemic. Management’s evaluations of current finances show no concern for ongoing operations of Peoria Rescue Ministries. Management is carefully monitoring the situation and evaluating options during this time to continue to serve its mission during the pandemic while complying with various governmental mandates. No available government funding associated with COVID-19 was pursued in 2020 and no adjustments have been made to these financial statements.

NOTE 10 – SUBSEQUENT EVENTS

In connection with the preparation of the financial statements, management has evaluated events through May 18, 2021, the date the financial statements were available to be issued.