

# Financial Statements

Boise Rescue Mission, Inc  
(a nonprofit organization)  
Years Ended September 30, 2020 and 2019



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Boise Rescue Mission, Inc.  
Boise, Idaho

### Reporting on the Financial Statements

We have audited the accompanying financial statements of Boise Rescue Mission, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 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.

### 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 Boise Rescue Mission, Inc. as of September 30, 2020, and the changes in their net assets and their 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 Boise Rescue Mission, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Meridian, Idaho  
January 8, 2021



**BOISE RESCUE MISSION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2020**  
**With Comparative Totals as of September 30, 2019**

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|                                         | <u>2020</u>          | <u>2019</u>          |
|-----------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                           |                      |                      |
| <b>Current Assets</b>                   |                      |                      |
| Cash and cash equivalents               | \$ 1,653,737         | \$ 1,096,287         |
| Prepaid expenses and other assets       | 177,687              | 194,596              |
| Inventory                               | <u>124,062</u>       | <u>207,124</u>       |
| Total Current Assets                    | 1,955,486            | 1,498,007            |
| <b>Non-Current Assets</b>               |                      |                      |
| Property and equipment, net             | 8,885,658            | 9,129,585            |
| Property and other assets held for sale | 22,314               | 12,814               |
| Other non-current assets                | 51,835               | 0                    |
| Security deposits                       | <u>0</u>             | <u>12,696</u>        |
| Total Assets                            | <u>\$ 10,915,293</u> | <u>\$ 10,653,102</u> |
| <b>LIABILITIES AND NET ASSETS</b>       |                      |                      |
| <b>Liabilities</b>                      |                      |                      |
| Accounts payable                        | \$ 44,768            | \$ 118,154           |
| Accrued payroll and related liabilities | 153,585              | 167,834              |
| Guest savings                           | 5,812                | 7,051                |
| Current portion long term debt          | <u>63,189</u>        | <u>109,638</u>       |
| Total Current Liabilities               | 267,354              | 402,677              |
| <b>Long-Term Liabilities</b>            |                      |                      |
| Long-term debt, net of current portion  | <u>338,954</u>       | <u>650,358</u>       |
| Total Liabilities                       | 606,308              | 1,053,035            |
| <b>Net Assets</b>                       |                      |                      |
| Without donor restrictions              | 9,965,107            | 9,085,695            |
| With donor restrictions                 | <u>343,878</u>       | <u>514,372</u>       |
| Total Net Assets                        | <u>10,308,985</u>    | <u>9,600,067</u>     |
| Total Liabilities and Net Assets        | <u>\$ 10,915,293</u> | <u>\$ 10,653,102</u> |

See notes to financial statements.

**BOISE RESCUE MISSION, INC.**  
**STATEMENTS OF ACTIVITIES**  
For the Year Ended September 30, 2020  
With Comparative Totals for the Year Ended September 30, 2019

|                                       | 2020                                  |                                    |                     | 2019                |
|---------------------------------------|---------------------------------------|------------------------------------|---------------------|---------------------|
|                                       | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        | <u>Total</u>        |
| <b>Revenue and Support</b>            |                                       |                                    |                     |                     |
| Contributions                         | \$ 5,704,059                          | \$ 2,505,242                       | \$ 8,209,301        | \$ 7,113,326        |
| In-kind contributions                 | 930,888                               |                                    | 930,888             | 1,178,634           |
| Program fees                          | 40,503                                |                                    | 40,503              | 78,406              |
| Special events, net                   | (17,937)                              |                                    | (17,937)            | 65,826              |
| Thrift store/tag sales                | 96,667                                |                                    | 96,667              | 425,484             |
| Gain on sale of assets                | 23,531                                |                                    | 23,531              | 5,800               |
| Interest income                       | 5,647                                 |                                    | 5,647               | 6,358               |
|                                       | 6,783,358                             | 2,505,242                          | 9,288,600           | 8,873,834           |
| Net assets released from restrictions | <u>2,675,736</u>                      | <u>(2,675,736)</u>                 | <u>0</u>            | <u>0</u>            |
| Total Revenue                         | 9,459,094                             | (170,494)                          | 9,288,600           | 8,873,834           |
| <b>Expenses</b>                       |                                       |                                    |                     |                     |
| Program services                      |                                       |                                    |                     |                     |
| Boise men's program                   | 1,620,403                             |                                    | 1,620,403           | 1,937,133           |
| Women and children program            | 2,223,437                             |                                    | 2,223,437           | 2,291,008           |
| Nampa women's program                 | 957,806                               |                                    | 957,806             | 910,019             |
| Nampa men's program                   | 1,422,356                             |                                    | 1,422,356           | 1,241,225           |
| Thrift store/tag sale program         | 16,700                                |                                    | 16,700              | 494,504             |
| Recovery lodge                        | 364,974                               |                                    | 364,974             | 38,450              |
| Total Program Services                | 6,605,676                             | 0                                  | 6,605,676           | 6,912,339           |
| Supporting services                   |                                       |                                    |                     |                     |
| General and administrative            | 647,758                               |                                    | 647,758             | 611,165             |
| Communications                        | 1,326,248                             |                                    | 1,326,248           | 1,238,458           |
| Total Supporting Services             | <u>1,974,006</u>                      | <u>0</u>                           | <u>1,974,006</u>    | <u>1,849,623</u>    |
| Total Expenses                        | <u>8,579,682</u>                      | <u>0</u>                           | <u>8,579,682</u>    | <u>8,761,962</u>    |
| Change in Net Assets                  | 879,412                               | (170,494)                          | 708,918             | 111,872             |
| <b>Net Assets</b>                     |                                       |                                    |                     |                     |
| Beginning of Year                     | <u>9,085,695</u>                      | <u>514,372</u>                     | <u>9,600,067</u>    | <u>9,488,195</u>    |
| End of Year                           | <u>\$ 9,965,107</u>                   | <u>\$ 343,878</u>                  | <u>\$10,308,985</u> | <u>\$ 9,600,067</u> |

See notes to financial statements.

**BOISE RESCUE MISSION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended September 30, 2020**  
**With Comparative Totals for the Year Ended September 30, 2019**

|                   | <b>Boise<br/>Men's<br/>Program</b> | <b>Boise<br/>Women<br/>&amp; Children</b> | <b>Nampa<br/>Women's<br/>Program</b> | <b>Nampa<br/>Men's<br/>Program</b> | <b>Thrift Store/<br/>Tag Sale<br/>Program</b> | <b>Recovery<br/>Lodge</b> | <b>Total<br/>Program<br/>Services</b> | <b>General<br/>and<br/>Admin</b> | <b>Commun-<br/>ications</b> | <b>Total<br/>Supporting<br/>Services</b> | <b>2020<br/>Total</b> | <b>2019<br/>Total</b> |
|-------------------|------------------------------------|-------------------------------------------|--------------------------------------|------------------------------------|-----------------------------------------------|---------------------------|---------------------------------------|----------------------------------|-----------------------------|------------------------------------------|-----------------------|-----------------------|
| Salaries          | \$ 780,869                         | \$ 1,183,972                              | \$ 504,290                           | \$ 634,580                         | \$ 2,579                                      | \$ 225,827                | \$ 3,332,117                          | \$ 355,920                       | \$ 398,600                  | \$ 754,520                               | \$ 4,086,637          | \$ 3,871,331          |
| Payroll taxes     | 77,861                             | 107,598                                   | 51,510                               | 56,856                             | 200                                           | 19,576                    | 313,601                               | 14,621                           | 33,363                      | 47,984                                   | 361,585               | 358,053               |
| Employee benefits | 125,654                            | 194,109                                   | 92,265                               | 132,922                            | 415                                           | 47,125                    | 592,490                               | 96,763                           | 80,470                      | 177,233                                  | 769,723               | 677,060               |
| Supplies          | 346,162                            | 386,110                                   | 191,733                              | 346,282                            |                                               | 11,050                    | 1,281,337                             | 31,295                           | 64,806                      | 96,101                                   | 1,377,438             | 1,748,060             |
| Mailings          | 141                                | 141                                       | 141                                  | 141                                |                                               |                           | 564                                   |                                  | 684,413                     | 684,413                                  | 684,977               | 644,029               |
| Depreciation      | 92,127                             | 93,164                                    | 17,475                               | 77,312                             | 1,403                                         | 22,303                    | 303,784                               | 26,577                           | 100                         | 26,677                                   | 330,461               | 328,167               |
| Utilities/phone   | 90,894                             | 86,313                                    | 35,837                               | 58,202                             | 7,846                                         | 10,044                    | 289,136                               | 20,251                           | 1,428                       | 21,679                                   | 310,815               | 341,734               |
| Office            | 16,799                             | 27,839                                    | 14,930                               | 13,438                             | 843                                           | 4,940                     | 78,789                                | 33,780                           | 42,442                      | 76,222                                   | 155,011               | 154,240               |
| Insurance         | 30,894                             | 55,541                                    | 16,977                               | 34,407                             | 1,185                                         | 3,329                     | 142,333                               | 11,491                           | 204                         | 11,695                                   | 154,028               | 152,596               |
| Maintenance       | 31,803                             | 39,183                                    | 12,033                               | 19,946                             | 976                                           | 4,917                     | 108,858                               |                                  | 2                           | 2                                        | 108,860               | 81,333                |
| Transportation    | 10,646                             | 15,494                                    | 8,556                                | 13,344                             |                                               |                           | 48,040                                | 4,612                            | 2,243                       | 6,855                                    | 54,895                | 74,238                |
| Program           | 4,334                              | 19,390                                    | 47                                   | 22,196                             |                                               |                           | 45,967                                | 468                              |                             | 468                                      | 46,435                | 49,741                |
| Rent              | 10,215                             | 10,215                                    | 10,215                               | 10,215                             | 1,253                                         |                           | 42,113                                |                                  |                             |                                          | 42,113                | 185,798               |
| Professional fees |                                    |                                           |                                      |                                    |                                               |                           |                                       | 29,952                           | 3,105                       | 33,057                                   | 33,057                | 38,688                |
| Interest          |                                    |                                           |                                      |                                    |                                               | 14,785                    | 14,785                                | 15,446                           |                             | 15,446                                   | 30,231                | 22,933                |
| Dues              | 651                                | 1,593                                     | 800                                  | 651                                |                                               | 504                       | 4,199                                 | 5,101                            | 10,678                      | 15,779                                   | 19,978                | 27,394                |
| Training          | 1,353                              | 2,775                                     | 997                                  | 1,864                              |                                               | 574                       | 7,563                                 | 1,481                            | 4,394                       | 5,875                                    | 13,438                | 6,567                 |
| <b>Total</b>      | <b>\$ 1,620,403</b>                | <b>\$ 2,223,437</b>                       | <b>\$ 957,806</b>                    | <b>\$ 1,422,356</b>                | <b>\$ 16,700</b>                              | <b>\$ 364,974</b>         | <b>\$ 6,605,676</b>                   | <b>\$ 647,758</b>                | <b>\$ 1,326,248</b>         | <b>\$ 1,974,006</b>                      | <b>\$ 8,579,682</b>   | <b>\$ 8,761,962</b>   |

See notes to financial statements.

**BOISE RESCUE MISSION, INC.**  
**STATEMENTS OF CASH FLOWS**  
For the Year Ended September 30, 2020  
With Comparative Totals for the Year Ended September 30, 2019

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|                                                                                                    | <u>2020</u>         | <u>2019</u>         |
|----------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Cash Flow From Operating Activities</b>                                                         |                     |                     |
| Change in net assets                                                                               | \$ 708,918          | \$ 111,872          |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: |                     |                     |
| Depreciation                                                                                       | 330,461             | 328,167             |
| Gain on sale of assets                                                                             | (23,531)            | (5,800)             |
| Donation of assets held for sale                                                                   | (9,500)             | 0                   |
| Donations for construction or purchase of fixed assets                                             | (40,787)            | 0                   |
| Changes in operating assets and liabilities:                                                       |                     |                     |
| Prepaid expenses and other assets                                                                  | 16,909              | (68,004)            |
| Inventory                                                                                          | 83,062              | 198,211             |
| Other assets                                                                                       | (51,835)            | 0                   |
| Accounts payable                                                                                   | (73,386)            | 68,388              |
| Accrued payroll and related liabilities                                                            | (14,249)            | 24,994              |
| Guest savings                                                                                      | (1,239)             | 746                 |
| Security deposits                                                                                  | 12,696              | 0                   |
| Deferred rent                                                                                      | <u>0</u>            | <u>(15,185)</u>     |
| Net Cash Provided (Used) by Operating Activities                                                   | 937,519             | 643,389             |
| <b>Cash Flow From Investing Activities</b>                                                         |                     |                     |
| Purchase of property and equipment                                                                 | (97,203)            | (461,304)           |
| Proceeds from sale of assets                                                                       | <u>34,200</u>       | <u>5,800</u>        |
| Net Cash Provided (Used) by Investing Activities                                                   | (63,003)            | (455,504)           |
| <b>Cash Flow From Financing Activities</b>                                                         |                     |                     |
| Principal payments on long-term debt                                                               | (357,853)           | (154,293)           |
| Donations for construction or purchase of fixed assets                                             | <u>40,787</u>       | <u>0</u>            |
| Net Cash Provided (Used) by Financing Activities                                                   | <u>(317,066)</u>    | <u>(154,293)</u>    |
| Net Change in Cash and Cash Equivalents                                                            | 557,450             | 33,592              |
| <b>Cash and Cash Equivalents, Beginning of Year</b>                                                | <u>1,096,287</u>    | <u>1,062,695</u>    |
| <b>Cash and Cash Equivalents, End of Year</b>                                                      | <u>\$ 1,653,737</u> | <u>\$ 1,096,287</u> |

See notes to financial statements.



## **BOISE RESCUE MISSION, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **Note A - Significant Accounting Policies**

##### *Nature of Organization*

Boise Rescue Mission, Inc. (Mission) is a non-profit organization which provides meals, clothing, sleeping quarters, religious services and other related services to homeless and transient persons in Boise and Nampa, Idaho. The Mission operated a thrift store that sold clothing and household goods to the general public until August 2019. The Organization then switched to a tag sale model. All merchandise sold through the store or tag sale is acquired by donation.

##### *Basis of Accounting*

The accompany financial statements of Boise Rescue Mission, Inc. have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

##### *Basis of Presentation*

The Mission reports net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

##### *Accounting Pronouncements Adopted*

For the year ended September 30, 2020, the Mission adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, timing, and uncertainty of revenue and cash flow arising from contracts with customers. The financial statements reflect the application of ASC 606 guidance beginning in 2020. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Mission's reported historical revenue.

**BOISE RESCUE MISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A - Significant Accounting Policies (Continued)**

*Cash and Cash Equivalents*

The Mission considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

*Concentration of Credit Risk*

Financial instruments that potentially subject the Mission to significant concentrations of credit risk consist principally of cash and cash equivalents, investments in certificates of deposit and money market accounts. In addition to FDIC and SPIC coverage, the Mission has a supplemental insurance on all balances held in their investment account up to \$5,000,000. At September 30, 2020 and 2019, the Mission had no uninsured balances.

*Inventory*

Inventory of food and other new items such as household items or toys donated for use in programs are included in inventory and valued at comparative thrift store value. The Mission receives a large amount of donated clothing. Clothing is recorded as a donation when used by the programs. Clothing at the warehouse is not included in inventory at the end of the year.

*Property and Equipment*

Property and equipment is stated at cost, or, if donated, at the estimated fair market value at the date of donation. All equipment with a fair market value in excess of \$5,000 and a useful life of at least one year is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to forty years. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

*Property and Other Assets Held for Sale*

Property and other assets held for sale is stated at cost or the fair market value at the date it was donated and is not depreciated. As of September 30, 2020 and 2019, the Mission holds cemetery plots for sale. When the property is sold, the Mission recognizes the gain or loss on the property.

The Mission reviews assets held for sale for impairment whenever events or changes in circumstances indicate the carrying value of the property may not be recoverable. If such assets are deemed to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value less costs to sell. No impairment was recognized for the years ended September 30, 2020 and 2019.

**BOISE RESCUE MISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A - Significant Accounting Policies (Continued)**

*Fair Value*

The Mission uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

*Compensated Absences*

The Mission's regular full-time employees accrue vacation ratably during the year based on the length of employment. Employees are then awarded their annual allotment in advance at the beginning of each calendar year. A maximum of 40 hours per calendar year can be carried over to the following year, if approved, with a cumulative cap of 200 hours.

*Contributions and Donor Imposed Restrictions*

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received 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, that is, when a time restriction ends and/or a purpose restriction is fulfilled, 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.

*In-kind Contributions*

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Absent donor stipulations regarding how long those donated assets must be maintained, the Mission reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

A substantial number of volunteers donated significant amounts of their time in the Mission's activities for which no amounts have been recorded in the financial statements. These volunteer services include office assistance, chapel teams, kitchen helpers and other assistance.

**BOISE RESCUE MISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A - Significant Accounting Policies (Continued)**

*In-kind Contributions (Continued)*

Contributions of donated noncash assets are recorded at their fair values in the period received, with the exception of clothing which is recorded when used. Contributed services are reflected in the financial statements at the fair value of the service received. The contributions of services are recognized if the service received (a) creates or enhances nonfinancial assets or (b) requires specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The following was donated for the year ended September 30:

|                        | <u>2020</u>       | <u>2019</u>         |
|------------------------|-------------------|---------------------|
| Materials              | \$ 894,830        | \$ 1,144,562        |
| Services               | 13,416            | 28,072              |
| Property held for sale | 9,500             | 0                   |
| Investments            | 7,142             | 0                   |
| Room and board         | <u>6,000</u>      | <u>6,000</u>        |
|                        | <u>\$ 930,888</u> | <u>\$ 1,178,634</u> |

The Mission receives considerable non-cash contributions of clothing and household goods used for re-sale and operation of the thrift store. The value of these items is undeterminable until the time of sale, therefore no inventory is recorded in the Statement of Financial Position for the thrift store. During 2019 the thrift store was closed and the Mission moved to a tag sale model.

*Revenue and Revenue Recognition*

Events and service revenue is recognized when the event takes place or the services are performed. Rental revenue attributable to leases recorded in program fees are recognized when the are due from program participants, generally upon the first day of each month.

*Income Taxes*

The Mission is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

**BOISE RESCUE MISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A - Significant Accounting Policies (Continued)**

*Uncertain Tax Positions*

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Mission may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2020 or 2019.

The Mission is classified as a church as described in Internal Revenue Code Section 170(b)(1)(A)(i) and is not required to file a tax return.

*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 and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and benefits, which are allocated on the basis of estimates of time and effort, occupancy costs, utilities, insurance and depreciation, which are either directly allocated or allocated on a square footage basis. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Mission.

*Use of Estimates*

The Mission uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in determining the fair value of donated goods and services, and the estimated useful lives of property and equipment. Actual results could differ from those estimated.

*Reclassifications*

Certain amounts at September 30, 2019 have been reclassified to conform to the current year presentation. These reclassifications did not have any effect on net assets for the year ended September 30, 2019.

**BOISE RESCUE MISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A - Significant Accounting Policies (Continued)**

*Prior Year Comparative Totals*

The financial statements include certain 2019 summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the 2019 financial statement from which the summarized information was derived.

*Subsequent Events*

The Mission has evaluated subsequent events through January 8, 2021, which is the date the financial statements were available to be issued.

**Note B - Liquidity and Availability of Resources**

The Mission's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

|                                                                            |                     |
|----------------------------------------------------------------------------|---------------------|
| Cash and cash equivalents                                                  | \$ <u>1,653,737</u> |
| Total financial assets available within one year                           | 1,653,737           |
| Less amounts unavailable for general expenditures within one year, due to: |                     |
| Restricted by donors with purpose restrictions                             | (343,878)           |
| Board designations                                                         | <u>(100,000)</u>    |
| Total financial assets available within one year after restriction         | \$ <u>1,209,859</u> |

As part of the Mission's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At September 30, 2020, all net assets without donor restrictions are available for payment of any major expenditures incurred.

**BOISE RESCUE MISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note C - Property and Equipment**

At September 30, property and equipment consisted of the following:

|                               | <u>2020</u>         | <u>2019</u>         |
|-------------------------------|---------------------|---------------------|
| Land and buildings            | \$ 11,822,518       | \$ 11,822,518       |
| Furniture and equipment       | 698,137             | 675,229             |
| Office equipment              | 235,031             | 289,545             |
| Vehicles                      | 298,095             | 273,243             |
| Construction in progress      | <u>9,688</u>        | <u>0</u>            |
|                               | 13,063,469          | 13,060,535          |
| Less accumulated depreciation | <u>4,177,811</u>    | <u>3,930,950</u>    |
| Total Property and Equipment  | <u>\$ 8,885,658</u> | <u>\$ 9,129,585</u> |

At September 30, 2020 construction in progress consisted of amounts for River of Life showers.

**Note D - Long-Term Debt**

At September 30, long-term debt consisted of the following:

|                                                                                                                                                                         | <u>2020</u>       | <u>2019</u>       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Note payable secured by real property, \$6,435 monthly, including interest at 3.74% per annum, maturing August 2026.                                                    | \$ 402,143        | \$ 463,923        |
| Note payable secured by real property, semi-annual payment of \$50,000, including interest of 5% per annum, with all unpaid principal and interest due October 1, 2020. | <u>0</u>          | <u>296,073</u>    |
|                                                                                                                                                                         | 402,143           | 759,996           |
| Less current portion                                                                                                                                                    | <u>63,189</u>     | <u>109,638</u>    |
| Total Long-Term Debt                                                                                                                                                    | <u>\$ 338,954</u> | <u>\$ 650,358</u> |

**BOISE RESCUE MISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note D - Long-Term Debt (Continued)**

Maturities of long-term debt as of September 30, 2020 are as follows:

|            |    |                |
|------------|----|----------------|
| 2021       | \$ | 63,189         |
| 2022       |    | 65,593         |
| 2023       |    | 68,088         |
| 2024       |    | 70,679         |
| 2025       |    | 73,368         |
| Thereafter |    | <u>61,226</u>  |
|            | \$ | <u>402,143</u> |

Cash paid for interest as of September 30, 2020 and 2019 was \$30,231 and \$22,933 respectively. During the year ended September 30, 2019 the Mission acquired real property of \$393,000 with debt, in a noncash investing and financing activity.

**Note E - Related Party Transactions**

The Mission accepts cash and in-kind donations from board members, employees, and their families. No in-kind donations were recorded during 2020 or 2019. The Mission received cash donations totaling \$92,035 and \$63,449 during the years ended September 30, 2020 and 2019, respectively.

**Note F - Retirement Plan**

The Mission has a 403(b) plan available to all eligible employees. Participation by eligible employees is on a voluntary basis. The Mission will match 50% of the employee contribution up to \$50 per month. For the years ended September 30, 2020 and 2019, the Mission contributed \$19,684 and \$18,829, respectively, to the plan.



**BOISE RESCUE MISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note G - Net Assets**

The detail of the Mission's net asset categories at September 30, are as follows:

|                                        | <u>2020</u>          | <u>2019</u>         |
|----------------------------------------|----------------------|---------------------|
| Without donor restrictions:            |                      |                     |
| Invested in property and equipment     | \$ 8,483,515         | \$ 8,369,589        |
| Undesignated surplus                   | 1,381,592            | 616,106             |
| Board designated for operating reserve | <u>100,000</u>       | <u>100,000</u>      |
| Total without donor restrictions       | 9,965,107            | 9,085,695           |
| With donor restrictions:               |                      |                     |
| Net assets with purpose restrictions:  |                      |                     |
| Veteran ministries                     | 122,944              | 100,321             |
| Scholarships                           | 74,359               | 22,460              |
| HMIS implementation                    | 17,593               | 23,852              |
| City light                             | 39,210               | 72,697              |
| River of Life construction project     | 31,099               | 0                   |
| COVID-19                               | 24,409               | 0                   |
| Teens                                  | 15,462               | 730                 |
| Dental services                        | 13,232               | 13,391              |
| Mental Health                          | 1,028                | 25,157              |
| Recovery lodge                         | 0                    | 255,264             |
| Other program specific                 | <u>4,542</u>         | <u>500</u>          |
| Total with donor restrictions          | <u>343,878</u>       | <u>514,372</u>      |
| Total net assets                       | <u>\$ 10,308,985</u> | <u>\$ 9,600,067</u> |

**BOISE RESCUE MISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note H - Leases**

The Mission leases office equipment under operating leases that expire at various years through April 2024. The leases require monthly payments ranging from \$66 to \$3,560. The Mission leased its thrift store under a lease that was recognized on the straight line method over the term of the lease that was set to expire in February 2020. During 2019 the Mission's lease for its thrift store was terminated early and all remaining rent payments were included in accounts payable at September 30, 2019. Rent expense under all operating leases was \$63,110 and \$199,977 for the years ended September 30, 2020 and 2019, respectively.

The following summarizes the remaining future minimum payments required under all leases:

|      |    |               |
|------|----|---------------|
| 2021 | \$ | 33,520        |
| 2022 |    | 5,461         |
| 2023 |    | 1,512         |
| 2024 |    | <u>882</u>    |
|      | \$ | <u>41,375</u> |

**Note I - Risks and Uncertainties**

The COVID-19 pandemic is having significant effects on markets, supply chains, businesses, and communities. The extent of the impact of COVID-19 on the Mission's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Mission's funding sources, volunteers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Mission's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.