

Peoria Rescue Ministries

Annual Financial Report

December 31, 2023



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, 2023, 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, 2023, 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' 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 2, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hjerpe & Tennison CPAs, LLC

Pekin, IL

July 12, 2024

PEORIA RESCUE MINISTRIES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,173,987	\$ 1,497,142
Prepaid expenses	85,373	75,472
Accounts receivable	90,124	211,349
Notes receivable - receivable within one year	-	1,783
Grant receivable	-	125,000
Inventory	179,722	97,741
TOTAL CURRENT ASSETS	1,529,206	2,008,487
PROPERTY AND EQUIPMENT		
Land	441,564	441,564
Buildings	5,988,131	5,871,944
Equipment	2,357,599	2,070,541
	8,787,294	8,384,049
Less: accumulated depreciation	(4,321,629)	(4,038,965)
TOTAL PROPERTY AND EQUIPMENT	4,465,665	4,345,084
TOTAL ASSETS	\$ 5,994,871	\$ 6,353,571
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 33,761	\$ 39,618
Accrued payroll expenses	213,656	237,658
TOTAL CURRENT LIABILITIES	247,417	277,276
NONCURRENT LIABILITIES		
Deferred revenue	-	2,500
TOTAL NONCURRENT LIABILITIES	-	2,500
TOTAL LIABILITIES	247,417	279,776
NET ASSETS		
Net assets without donor restrictions		
Designated for operations	1,243,797	1,728,711
Invested in property and equipment	4,465,665	4,345,084
Net assets with donor restrictions	37,992	-
TOTAL NET ASSETS	5,747,454	6,073,795
TOTAL LIABILITIES AND NET ASSETS	\$ 5,994,871	\$ 6,353,571

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

**PEORIA RESCUE MINISTRIES
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023			2022
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction
REVENUES, GAINS AND OTHER SUPPORT				
Support from the public and programs:				
Contributions	\$ 3,594,564	\$ 40,000	\$ 3,634,564	\$ 3,707,681
In-kind contributions	628,986	-	628,986	620,260
Wood product revenue	823,898	-	823,898	750,411
Banquet/special events	413,268	-	413,268	275,839
Grants	154,750	-	154,750	254,600
Total public support	<u>5,615,466</u>	<u>40,000</u>	<u>5,655,466</u>	<u>5,608,791</u>
Investment revenue:				
Interest revenue	56,719	-	56,719	7,226
Total investment revenue	<u>56,719</u>	<u>-</u>	<u>56,719</u>	<u>7,226</u>
Other revenue:				
Speaker fees	2,400	-	2,400	1,036
Rental revenue	49,130	-	49,130	35,860
Gain (loss) on disposition of assets	80,482	-	80,482	(22,916)
Other revenue	18,857	-	18,857	26,143
Total other revenue	<u>150,869</u>	<u>-</u>	<u>150,869</u>	<u>40,123</u>
NET ASSET RESTRICTION TRANSFERS				
Revenue released from restriction	2,008	(2,008)	-	-
Total revenue	<u>5,825,062</u>	<u>37,992</u>	<u>5,863,054</u>	<u>5,656,140</u>
EXPENSES				
Program services:				
Men's Residential Ministry	1,634,456	-	1,634,456	1,581,025
Men's Renewal Ministry	559,073	-	559,073	612,907
Empower Life Center	445,523	-	445,523	409,457
Barnabas Counseling Center	249,545	-	249,545	253,705
Women's Residential Ministry	995,083	-	995,083	796,978
1212 House	91,633	-	91,633	74,271
Pathway Works	616,245	-	616,245	427,985
International Ministries	139,730	-	139,730	144,447
Operations	-	-	-	56,772
Total program services	<u>4,731,288</u>	<u>-</u>	<u>4,731,288</u>	<u>4,357,547</u>
Supporting services:				
Development	914,056	-	914,056	784,686
Management and general	544,051	-	544,051	460,914
Total supporting services	<u>1,458,107</u>	<u>-</u>	<u>1,458,107</u>	<u>1,245,600</u>
Total program and supporting services expenses	<u>6,189,395</u>	<u>-</u>	<u>6,189,395</u>	<u>5,603,147</u>
CHANGE IN NET ASSETS	(364,333)	37,992	(326,341)	52,993
NET ASSETS, beginning of year	<u>6,073,795</u>	<u>-</u>	<u>6,073,795</u>	<u>6,020,802</u>
NET ASSETS, end of year	<u>\$ 5,709,462</u>	<u>\$ 37,992</u>	<u>\$ 5,747,454</u>	<u>\$ 6,073,795</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, 2023
(with comparative totals for the year ended December 31, 2022)

	Program Services						
	Men's Residential Ministry	Men's Renewal Ministry	Empower Life Center	Barnabas Counseling Center	Women's Residential Ministry	1212 House	Pathway Works
Salaries and related expenses	\$ 769,086	\$ 194,645	\$ 299,614	\$ 199,646	\$ 589,705	\$ 75,482	\$ 429,803
Stipends	48,967	31,351	-	-	24,207	-	1,650
Promotion	172	-	32,015	-	-	-	1,032
Appeals and letters	-	-	-	-	-	-	-
Supplies	22,996	2,697	6,580	1,617	21,318	403	1,582
Banquet/Special events	-	-	-	-	-	-	-
Wood product	-	31,149	-	-	-	-	74,116
Donated vehicle repairs	47,614	-	-	-	-	-	-
Mission support	10,000	-	-	-	-	-	-
Utilities	95,394	45,027	13,036	8,993	65,371	108	12,365
Food expense	14,661	1,981	613	43	4,609	-	125
Client expense	10,381	868	3,558	84	11,867	2,480	2,008
Transportation	33,028	15,344	-	-	6,833	-	14,361
Insurance	64,366	43,737	11,679	6,852	28,247	-	10,656
Equipment repairs	50,249	39,283	12,925	6,163	31,692	-	18,779
Building maintenance	42,151	28,647	17,388	1,992	41,475	-	10,029
Conferences	2,693	-	7,671	1,515	258	-	102
Professional fees	3,919	500	-	621	3,881	-	738
Program materials	6,881	1,297	10,334	350	6,120	566	1,666
Payroll processing	-	-	-	-	-	-	-
Donated items distributed	318,254	44,869	13,247	-	114,596	-	-
Bad debt expense	-	2,490	-	-	-	-	-
Other expenses	7,145	2,939	2,009	2,801	1,484	-	6,250
Subtotal	1,547,957	486,824	430,669	230,677	951,663	79,039	585,262
Depreciation	86,499	72,249	14,854	18,868	43,420	12,594	30,983
Total	\$ 1,634,456	\$ 559,073	\$ 445,523	\$ 249,545	\$ 995,083	\$ 91,633	\$ 616,245

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, 2023
(with comparative totals for the year ended December 31, 2022)

International Ministries	Total Program Services	Supporting Services			2023 Total Expenses	2022 Total Expenses
		Development	Management and General	Total Supporting Services		
\$ -	\$ 2,557,981	\$ 264,127	\$ 376,145	\$ 640,272	\$ 3,198,253	\$ 2,822,066
-	106,175	-	-	-	106,175	91,134
-	33,219	197,297	5,954	203,251	236,470	229,252
-	-	307,759	-	307,759	307,759	311,331
30	57,223	3,085	24,416	27,501	84,724	90,941
-	-	85,432	-	85,432	85,432	105,369
-	105,265	-	-	-	105,265	89,107
-	47,614	-	-	-	47,614	20,372
139,700	149,700	-	-	-	149,700	154,400
-	240,294	1,299	3,980	5,279	245,573	213,163
-	22,032	-	-	-	22,032	15,335
-	31,246	-	-	-	31,246	36,045
-	69,566	38	(2,047)	(2,009)	67,557	64,860
-	165,537	1,370	3,586	4,956	170,493	129,592
-	159,091	10,066	16,469	26,535	185,626	190,039
-	141,682	-	-	-	141,682	144,722
-	12,239	3,419	1,717	5,136	17,375	23,607
-	9,659	654	45,730	46,384	56,043	42,865
-	27,214	1,038	-	1,038	28,252	28,502
-	-	-	8,785	8,785	8,785	8,133
-	490,966	-	-	-	490,966	472,635
-	2,490	-	-	-	2,490	-
-	22,628	37,048	36,282	73,330	95,958	50,570
139,730	4,451,821	912,632	521,017	1,433,649	5,885,470	5,334,040
-	279,467	1,424	23,034	24,458	303,925	269,107
<u>\$ 139,730</u>	<u>\$ 4,731,288</u>	<u>\$ 914,056</u>	<u>\$ 544,051</u>	<u>\$ 1,458,107</u>	<u>\$ 6,189,395</u>	<u>\$ 5,603,147</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, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (326,341)	\$ 52,993
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	303,925	269,107
(Gain) loss on disposition of assets	(80,482)	22,916
(Increase) decrease in assets:		
Accounts receivable	121,225	(122,271)
Notes receivable	1,783	3,462
Inventory	(81,981)	(17,320)
Prepaid expenses	(9,901)	8,115
Grant receivable	125,000	(125,000)
Increase (decrease) in liabilities:		
Accounts payable	(5,857)	(83,847)
Accrued payroll expenses	(24,002)	21,809
Deferred revenue	(2,500)	2,500
CASH PROVIDED BY OPERATING ACTIVITIES	20,869	32,464
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of assets	4,560	46,075
Cash paid for purchases of fixed assets	(348,584)	(878,800)
CASH USED FOR INVESTING ACTIVITIES	(344,024)	(832,725)
 NET DECREASE IN CASH	(323,155)	(800,261)
 CASH AT BEGINNING OF YEAR	1,497,142	2,297,403
 CASH AT END OF YEAR	\$ 1,173,987	\$ 1,497,142
 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, 2023

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 service; Men's Renewal Ministry (formerly Victory Acres); transitional communities with the 1212 House; and Pathway Works (formerly Employment Readiness), which will provide opportunities for experience in the workplace via Peoria Mulch and Pallet Creations. They also provide Community ministries, which include the Empower Life Center, providing pregnancy and parenting advocacy and the Barnabas Counseling Center, which provides counseling services to residents and the community. The Organization additionally provides funding support for biblical training centers in Riga, Latvia and biblical training centers and missionary support in Kiev, Ukraine from a portion of the sales of wood products.

Peoria Rescue Ministries receives the majority of its funding from charitable contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. FINANCIAL STATEMENT PRESENTATION

Peoria Rescue Ministries has presented its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets are classified based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

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. These net assets include board designated funds that have been restricted for specific purposes by the board.

Net assets with donor restrictions – Net assets that result from donations 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 restrictions expire, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

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, 2022, from which the summarized information was derived.

D. 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.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. 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 2021, 2022, and 2023 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, 2023, 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.

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 include pallet and wood chip raw materials held at Pathway Works (formerly Victory Acres and Employment Readiness), donated vehicles, donated clothing, and contributed assets. All items are stated at their estimated fair market values at year end. As of December 31, inventory consisted of the following:

	2023	2022
Pallets & wood chips	\$ 147,913	\$ 52,728
Pallet creations & boards	5,324	-
Vehicles, purchased and held for sale	-	6,525
Clothing, for bulk sales	-	12,003
Contributed assets	26,485	26,485
Total	\$ 179,722	\$ 97,741

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

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

I. ACCOUNTS RECEIVABLE

Accounts receivable for Peoria Rescue Ministries arise from the sale of pallets and wood chips at Pathway Works (formerly Victory Acres and Employment Readiness), the sale of purchased and donated vehicles, and unconditional contributions receivable. As of December 31, 2023, the entire accounts receivable balance consisted of the sale of pallets and wood chips. 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, 2023, there was \$2,490 in bad debt write offs of accounts receivable 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 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, the Organization entered into a note receivable for the sale of real estate property. The note is secured by the real estate. The terms of the note required payments in monthly installments of \$301, including interest of 4% with the final payment made in June 2023. Interest was recognized when received. Peoria Rescue Ministries carried its note receivable at cost.

K. COMPENSATED ABSENCES – VACATION POLICY

According to the guidelines of the Organization's compensation policy, the Organization had an accrual for vacation time earned and payable as of December 31, 2023 of \$96,126, which is included in accrued payroll expenses on the Statement of Financial Position.

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. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without 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, with the value of gifts-in-kind determined as described in Note 5.

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.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2023

NOTE 3 – CONCENTRATION OF CREDIT RISK

As of December 31, 2023, Peoria Rescue Ministries maintained its cash and cash equivalents at one financial institution. The funds in this institution are held in a checking account and also invested in a federated government money market sweep account, which is not insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2023, the bank balance in the money market account of \$663,524 was uninsured by FDIC. Management assessed these funds to be low risk as the money market funds are invested in US Treasury and government securities.

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 – NET ASSTS WITH DONOR RESTRICTIONS

During the year, Peoria Rescue Ministries received a donation of \$40,000 restricted to support additional education for program graduates as they prepare for employment. These funds are distributed based on application requirements. During 2023, \$2,008 was released from donor restrictions and there was a remaining balance of \$37,992 for this purpose.

NOTE 5 – 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 2023, building insulation costs at a value of \$3,200 were donated to the Organization for the men's mission building.

Peoria Rescue Ministries receives various gifts-in-kind, 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. The value of donated vehicles is recorded as in-kind contributions at the sales price of that vehicle when it is sold. The value of donated food and clothing used in the care of those who come to the emergency shelters and Peoria Pallet Works (formerly Victory Acres) is recognized as in-kind contributions with a corresponding expense for programs when consumed at an estimated value of \$2.40 per meal served in 2022 and 2023; and \$4.12 per article of clothing provided in 2022 and 2023. Management believes these estimated values for donated food and clothing are conservative based on the cost, value, and inflation studies performed. Other assets donated are recorded at estimated fair value on the date received, including clothing received which is subsequently sold in bulk to a wholesaler.

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 attorneys) and would be purchased if they were not donated.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2023

NOTE 5 – GIFTS-IN-KIND AND DONATED SERVICES – Continued

Gifts-in-kind received and distributed included in the statements of activities are summarized as follows:

Gifts-in-kind received	<u>2023</u>	<u>2022</u>
Thrift store donations	\$ -	\$ 23,673
Vehicles	96,170	72,729
Food	244,406	219,211
Clothing	186,781	200,634
Diapers and formula	10,075	11,526
Personal hygiene items	83,966	72,158
Other items	4,388	20,329
Total gifts-in-kind received	<u>\$ 625,786</u>	<u>\$ 620,260</u>
Donated services	<u>3,200</u>	<u>-</u>
Total gifts-in-kind received	<u>\$ 628,986</u>	<u>\$ 620,260</u>

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 6 – WOOD PRODUCT REVENUE

As part of Peoria Rescue Ministries' Men's Renewal Ministry (formerly Victory Acres), residents are involved in a work program that repairs, recycles, and mulches donated wood pallets. Sales of pallets to Caterpillar, Inc. account for 6% of Peoria Rescue Ministries' total revenue. As part of the Pathway Works program (formerly Employment Readiness), participants color wood mulch for sale and also provide mulch installation. The Pathway Works program also operates a workshop to rework scrap boards into pallet creations for sale.

The following is a detail of the revenue summarized on the Statement of Activities:

<u>Wood Product Revenue</u>	<u>2023</u>	<u>2022</u>
Pallets sold	\$ 350,095	\$ 362,268
Wood product sold	196,661	264,845
Wood chips sold	132,702	102,082
Delivery charges	39,355	11,659
Other	16,580	9,557
Increase (decrease) in inventory	88,505	-
	<u>\$ 823,898</u>	<u>\$ 750,411</u>

In the current year and in future years, the year end inventory adjustment will be included in wood product sales. In prior year, the \$28,747 increase in inventory was recorded in wood product expense.

NOTE 7 – 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 2023 matching contribution amount was \$49,927 and is included in accrued payroll expenses on the Statement of Financial Position.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2023

NOTE 8 – LIQUIDITY AND FUNDS AVAILABILITY

The following table reflects the Organization’s financial assets as of December 31, 2023, 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 others, 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,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 1,173,987	\$ 1,497,142
Accounts and notes receivable	90,124	338,132
Financial assets, at year end	1,264,111	1,835,274
Less those unavailable for general expenditures within one year due to:		
Restricted by donor with purpose restriction	(37,992)	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,226,119	\$ 1,835,274

Peoria Rescue Ministries has \$1,226,119 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures. 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 9 – COMMITMENTS AND SUBSEQUENT EVENTS

During 2023, Ukraine has been embattled in war. Peoria Rescue Ministries continues to provide quarterly grant assistance to Realis Center in Ukraine and its director as approved by the PRM Board. Realis provides training to Christian pastors, workers and counselors to more effectively spread the gospel in Europe and has shifted some of its ministry focus to providing relief and assistance to those suffering from the effects of the war. The Organization has provided their bank with the required information in order to direct the funding appropriately given the increased restrictions. Peoria Rescue Ministries receives updates from the Realis director regarding the ongoing situation in Ukraine and will continue to monitor the situation closely.

In January 2024, the Organization began to legally change its name to Pathway Ministries, to better represent all the programs the Organization provides. As of the date of these financial statements, the name change had not yet been approved by the Internal Revenue Service.

Peoria Rescue Ministries has evaluated subsequent events occurring after the statement of financial position date through July 12, 2024, the date the financial statements were available to be issued. Based upon this evaluation, other than previously disclosed, Peoria Rescue Ministries has determined that there are no subsequent events that have occurred which require adjustment to or disclosure in the financial statements.