



LEXINGTON RESCUE MISSION, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2019 AND 2018

LEXINGTON RESCUE MISSION, INC.
LEXINGTON, KENTUCKY

Contents

Independent Auditors' Report.....	1-2
Financial Statements:	
Statements of Financial Position.....	3
Statements of Activities.....	4
Statement of Functional Expenses – 2019.....	5
Statement of Functional Expenses - 2018.....	6
Statements of Cash Flows.....	7
Notes to the Financial Statements.....	8-14



INDEPENDENT AUDITORS' REPORT

Board of Directors
Lexington Rescue Mission, Inc.
Lexington, Kentucky

We have audited the accompanying financial statements of the Lexington Rescue Mission, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 the Lexington Rescue Mission, Inc. as of December 31, 2019 and 2018, respectively, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

r + r CPAs, PSC

March 24, 2020

LEXINGTON RESCUE MISSION, INC.

Statements of Financial Position

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash	\$ 249,511	\$ 149,501
Accounts receivable:		
Trade	5,818	9,384
Pledges	39,994	12,110
Prepaid expenses and other current assets	<u>24,301</u>	<u>16,249</u>
Total current assets	319,624	187,244
Property and equipment, net	<u>1,339,452</u>	<u>1,266,853</u>
Total assets	<u><u>\$ 1,659,076</u></u>	<u><u>\$ 1,454,097</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of note payable	\$ 7,598	\$ 7,262
Accounts payable and accrued expenses	28,012	31,356
Payroll liabilities	<u>43,531</u>	<u>34,501</u>
Total current liabilities	79,141	73,119
Note payable, less current portion	<u>172,646</u>	<u>180,189</u>
Total liabilities	<u>251,787</u>	<u>253,308</u>
Net assets:		
Without donor restrictions	1,346,220	1,137,830
With donor restrictions	<u>61,069</u>	<u>62,959</u>
Total net assets	<u>1,407,289</u>	<u>1,200,789</u>
Total liabilities and net assets	<u><u>\$ 1,659,076</u></u>	<u><u>\$ 1,454,097</u></u>

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

LEXINGTON RESCUE MISSION, INC.
 Statements of Activities
 For the years ended December 31, 2019 and 2018

	2019			2018		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains and support:						
Program services	\$ 177,940	\$ -	\$ 177,940	\$ 223,937	\$ -	\$ 223,937
Contributions	1,247,241	93,056	1,340,297	1,125,931	77,398	1,203,329
Grants and awards	213,655	257,164	470,819	51,491	214,000	265,491
Fall banquet	92,267	-	92,267	94,241	-	94,241
Other revenue	29,762	-	29,762	12,339	-	12,339
Net assets released from restrictions	352,110	(352,110)	-	301,696	(301,696)	-
Total revenues, gains, and support	<u>2,112,975</u>	<u>(1,890)</u>	<u>2,111,085</u>	<u>1,809,635</u>	<u>(10,298)</u>	<u>1,799,337</u>
Expenses:						
Program services	1,224,934	-	1,224,934	1,245,712	-	1,245,712
Management and general	182,217	-	182,217	149,679	-	149,679
Fundraising	497,434	-	497,434	449,345	-	449,345
Total expenses	<u>1,904,585</u>	<u>-</u>	<u>1,904,585</u>	<u>1,844,736</u>	<u>-</u>	<u>1,844,736</u>
Change in net assets	<u>208,390</u>	<u>(1,890)</u>	<u>206,500</u>	<u>(35,101)</u>	<u>(10,298)</u>	<u>(45,399)</u>
Net assets, beginning of year	<u>1,137,830</u>	<u>62,959</u>	<u>1,200,789</u>	<u>1,172,931</u>	<u>73,257</u>	<u>1,246,188</u>
Net assets, end of year	<u>\$ 1,346,220</u>	<u>\$ 61,069</u>	<u>\$ 1,407,289</u>	<u>\$ 1,137,830</u>	<u>\$ 62,959</u>	<u>\$ 1,200,789</u>

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

LEXINGTON RESCUE MISSION, INC.Statement of Functional Expenses
For the year ended December 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages, taxes and benefits	\$ 724,809	\$ 151,065	\$ 174,230	\$ 1,050,104
Professional fundraising services	-	-	228,278	228,278
Homeless Prevention and Assistance Program	57,880	-	-	57,880
Other program expenses	207,995	533	552	209,080
Utilities	35,320	499	804	36,623
Office supplies	22,211	1,533	1,195	24,939
Fall banquet	-	-	31,767	31,767
Insurance	22,941	3,166	9,044	35,151
Depreciation	49,121	1,506	3,174	53,801
Staffing service expense	842	-	-	842
Bank and credit card fees	2,134	1,147	3,279	6,560
Interest expense	11,028	481	1,156	12,665
Telephone	18,800	145	233	19,178
Computer services and software licenses	10,476	3,879	11,055	25,410
Postage	1,272	6,943	3,584	11,799
Repairs and maintenance	13,628	279	1,184	15,091
Printing	6,540	71	15,969	22,580
Professional services	4,405	608	1,737	6,750
Vehicle	10,985	-	-	10,985
Dues and subscriptions	3,270	451	1,289	5,010
Travel	10,941	3,709	539	15,189
Small equipment	2,295	-	-	2,295
Security expense	2,042	1	71	2,114
Miscellaneous	4,524	4,849	3,071	12,444
Walk for Warmth	-	-	5,223	5,223
Books and tapes	1,475	1,352	-	2,827
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 1,224,934</u>	<u>\$ 182,217</u>	<u>\$ 497,434</u>	<u>\$ 1,904,585</u>

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

LEXINGTON RESCUE MISSION, INC.Statement of Functional Expenses
For the year ended December 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages, taxes and benefits	\$ 699,407	\$ 91,271	\$ 128,936	\$ 919,614
Professional fundraising services	-	-	269,995	269,995
Homeless Prevention and Assistance Program	71,069	-	-	71,069
Other program expenses	201,010	24	127	201,161
Utilities	31,067	1,837	663	33,567
Office supplies	23,567	2,583	1,830	27,980
Fall banquet	30,131	-	19,239	49,370
Insurance	25,626	786	1,656	28,068
Depreciation and amortization	49,268	1,511	3,184	53,963
Staffing service expense	842	-	-	842
Bank and credit card fees	7,820	658	3,210	11,688
Interest expense	12,910	335	505	13,750
Telephone	16,047	209	221	16,477
Computer services and software licenses	9,042	21,817	5,205	36,064
Postage	92	11,751	-	11,843
Repairs and maintenance	16,760	2,317	390	19,467
Printing	9,897	10,238	2,641	22,776
Professional services	5,279	663	1,949	7,891
Vehicle	5,623	-	-	5,623
Dues and subscriptions	3,832	481	1,415	5,728
Travel	9,191	642	2,312	12,145
Small equipment	4,329	769	39	5,137
Security expense	2,712	67	43	2,822
Miscellaneous	6,085	1,720	3,716	11,521
Walk for Warmth	-	-	2,069	2,069
Books and tapes	4,106	-	-	4,106
	<u>4,106</u>	<u>-</u>	<u>-</u>	<u>4,106</u>
Total expenses	<u>\$1,245,712</u>	<u>\$ 149,679</u>	<u>\$ 449,345</u>	<u>\$ 1,844,736</u>

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

LEXINGTON RESCUE MISSION, INC.
 Statements of Cash Flows
 For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 206,500	\$ (45,399)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Loss on donation of van	750	-
Depreciation and amortization	53,801	53,963
(Increase) decrease in operating assets:		
Accounts receivable, net	(24,318)	311,326
Prepaid expenses and other current assets	(8,052)	(253)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(3,344)	(2,371)
Payroll liabilities	9,030	3,720
Net cash provided by operating activities	<u>234,367</u>	<u>320,986</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(127,150)</u>	<u>(102,412)</u>
Net cash used in investing activities	<u>(127,150)</u>	<u>(102,412)</u>
Cash flows from financing activities:		
Principal payments on note payable	(7,207)	(6,791)
(Payments) borrowing on line of credit, net	<u>-</u>	<u>(350,000)</u>
Net cash provided by (used in) financing activities	<u>(7,207)</u>	<u>(356,791)</u>
Net increase (decrease) in cash	100,010	(138,217)
Cash, beginning of year	<u>149,501</u>	<u>287,718</u>
Cash, end of year	<u>\$ 249,511</u>	<u>\$ 149,501</u>
Supplemental Disclosure:		
Cash paid for interest	<u>\$ 12,665</u>	<u>\$ 13,750</u>

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

LEXINGTON RESCUE MISSION, INC.

Notes to the Financial Statements

December 31, 2019 and 2018

Note A - Summary of Significant Accounting Policies

Nature of Mission

Lexington Rescue Mission, Inc. (the "Mission"), was incorporated on April 2, 2001, for charitable, educational and scientific purposes including, without limitation of the foregoing, the proclamation of the Gospel of Jesus Christ by conducting compassionate rescue mission work in the City of Lexington, Kentucky, and the surrounding area. The Mission provides food, clothing, education, employment, financial assistance, health care, and spiritual care to those in need.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis, and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Mission are classified and reported as follows:

Net assets without donor restrictions: Net assets that are currently available for operating purposes under the direction of the board or designated by board for specific use.

Net assets with donor restrictions: Net assets subject to donor stipulations for specific operating purposes or time restrictions. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations or specific purposes.

Cash and Cash Equivalents

The Mission considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts Receivable

The Mission's accounts receivable at December 31, 2019 and 2018, include pledges receivable, grants receivable, and employment service charges. The Mission provides an allowance for doubtful accounts on receivables, based on a review of the current status of existing receivables and management's evaluation of collection. As of December 31, 2019 and 2018, management determined an allowance for doubtful accounts on receivables was not necessary. There was no bad debt expense for both of the years ended December 31, 2019 and 2018.

Property and Equipment

Property and equipment are stated at cost and donated items are stated at fair value at the time of donation. When items are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts with any resulting gain or loss reflected in the accompanying Statements of Activities. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on a straight-line basis. Maintenance and repairs are expensed as incurred.

LEXINGTON RESCUE MISSION, INC.

Notes to the Financial Statements

December 31, 2019 and 2018

Revenue and Revenue Recognition

The Mission recognized contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

The Mission has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Mission's financial reporting.

Revenue from Contracts with Customers

The Mission has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Mission's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Mission recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Income Tax

The Mission is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, however, the Mission is not exempt from tax imposed upon unrelated activity income. The Mission currently has no unrelated business income and accordingly, no provision for income taxes has been recorded.

The Mission does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits or possible related interest or penalties. The Mission generally is no longer subject to income tax examinations by tax authorities for years before 2017.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services

The Mission received volunteer services throughout the year that are not recognized as contributions in the accompanying financial statements since these services are not susceptible to objective measurement or valuation.

LEXINGTON RESCUE MISSION, INC.

Notes to the Financial Statements

December 31, 2019 and 2018

Compensated Absences

The Mission has a paid time-off pay policy for its employees that work over 20 hours per week (other than temp and Advance Lexington workers) that includes sick time, which allows for a limited carryover of unused time from one year to another. The Mission has not accrued an amount for compensated absences in that the amount to be used, if any, cannot be reasonably estimated.

In-Kind Donations

The Mission receives donations of food, household items, and supplies throughout the year for use in its various programs. Recognition in the accompanying financial statements for these items only occurs when an objective method of valuation exists. Perishable items are not recognized.

Reclassifications

Certain amounts presented for the prior year have been reclassified to conform to the presentation used in the current year. Net assets were not changed as a result of these reclassifications.

Note B - Property and Equipment

At December 31, 2019 and 2018, property and equipment accounts consists of the following balances:

	<u>2019</u>	<u>2018</u>
Non-Depreciating Assets:		
Land	\$ 1,500	\$ 1,500
Property not placed in service (Grace Place)	86,113	-
Depreciating Assets:		
Land improvements	4,332	4,332
Buildings	1,138,715	1,138,715
Building improvements	196,827	196,827
Furniture and equipment	135,090	124,798
Vehicles	70,131	42,136
	<u>1,632,708</u>	<u>1,508,308</u>
Less: Accumulated Depreciation	293,256	241,455
	<u>\$ 1,339,452</u>	<u>\$ 1,266,853</u>

Depreciation expense for the years ended December 31, 2019 and 2018, was \$53,801 and \$51,077, respectively.

LEXINGTON RESCUE MISSION, INC.

Notes to the Financial Statements

December 31, 2019 and 2018

Note C - Intangible Assets

Intangible assets consist solely of third-party development software. For the years ending December 31, 2019 and 2018, the Mission had \$8,660 of capitalized software fees. The software was implemented in December 2015. Amortization expense for the years ended December 31, 2019 and 2018, was \$0 and \$2,887, respectively. Accumulated amortization as of December 31, 2019 and 2018, was \$8,660 for both years, respectively.

Note D - Line of Credit

The Mission maintains a line of credit with Bank of the Bluegrass & Trust Co. to provide short-term financing during cash flow shortages. The line is authorized up to \$101,000, bears an interest rate of 3.0% over the index rate (7.75% at December 31, 2019), matures April 20, 2021, and is secured by a second mortgage and an assignment of rents and leases. There was no balance on the line of credit as of December 31, 2019 and 2018.

Note E - Note Payable

The Mission was obligated on the following note as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Bank of the Bluegrass & Trust Co. mortgage note, interest rate of 5.375%, monthly payments of \$1,425 including principal and interest, final payment of remaining principal balance due April 2, 2023, collateralized by first mortgage and assignment of rents and leases.	\$ 180,244	\$ 187,451
Less current portion	<u>7,598</u>	<u>7,262</u>
Net long-term note payable	<u>\$ 172,646</u>	<u>\$ 180,189</u>

At December 31, 2019, future maturities on the note payable is as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 7,598
2021	8,022
2022	8,462
2023	<u>156,162</u>
Total	<u>\$ 180,244</u>

Note F - Endowment

During 2014, the Mission was named an income beneficiary of an endowment from Blue Grass Community Foundation, Inc. (the Foundation). The Foundation maintains complete control of the endowment. Accordingly, the Mission does not recognize any activity related to this endowment unless

LEXINGTON RESCUE MISSION, INC.

Notes to the Financial Statements

December 31, 2019 and 2018

the Foundation releases a portion of the funds to the Mission. The balance of the endowment was approximately \$48,000, as of December 31, 2019 and 2018, respectively.

Note G - Functional Allocation of Expenses

The costs of providing the various programs and support services have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs are allocated among the programs and supporting services benefited. The method of allocation for these costs has not changed from prior years.

Expenses associated with the various programs of the Mission for the years ended December 31, 2019 and 2018, are summarized as follows:

	<u>2019</u>	<u>2018</u>
Community Care	\$ 124,124	\$ 121,165
Reentry Services	160,587	218,139
Restorative Ministries	248,532	226,487
Outreach Services	429,449	293,762
Advance Lexington	87,705	114,565
Employment Services	58,390	60,445
Other	116,147	211,149
	<u> </u>	<u> </u>
Total program expenses	<u>\$ 1,224,934</u>	<u>\$ 1,245,712</u>

Note H - Commitments and Contingencies

During the year ended December 31, 2017, the Mission was awarded a grant of \$650,000 from the Affordable Housing Program to purchase property to provide men's rehabilitation services within Lexington, Kentucky. The Mission completed the purchase and renovations of the property in January 2018. A restriction in the grant requires the Mission to maintain the property for 15 years as well as comply with other operational requirements during this period. Should the Mission fail to comply with these restrictions, the grantor has the right to request repayment of the grant proceeds.

Also during 2017, the Mission was awarded a one-time matching grant from the Lexington-Fayette Urban County Government (LFUCG) of \$55,000 for the purchase and renovations of the property mentioned previously to provide transitional housing beds and community service. A restriction in the grant requires the Mission to maintain the property for this intended use for three years. Should the Mission fail to comply with this restriction, the Mission shall be required to repay LFUCG an amount equal to \$1,528 for each full month remaining between the date the program operations are suspended and the expiration date of the three-year agreement.

During the year ended December 31, 2018, the Mission entered into a purchase agreement for real estate in the amount of \$595,000 for a new women's housing facility. According to the agreement, the purchase was contingent upon grant funding, required an initial 5% down payment due at the signing of the contract, 5% due in December 2019, with closing on or before March 2020.

LEXINGTON RESCUE MISSION, INC.

Notes to the Financial Statements

December 31, 2019 and 2018

During December 2019, the Mission placed a \$29,750 down payment on the property with grant funding secured from the Affordable Housing Program similar to the men's rehabilitation property noted above. As of the date of the audit report, the Mission was awaiting closing on the property as well as the closing on a line of credit with PNC Bank.

Note I - Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Re-entry/Jobs for Life	\$ 11,819	6,863
Vehicle	-	30,250
Vocational Rehabilitation	32,254	16,333
Transitional Living	5,000	5,000
Transportation	11,176	3,388
Christmas Assistance	820	1,125
	<u> </u>	<u> </u>
Net assets with donor restrictions	<u>\$ 61,069</u>	<u>\$ 62,959</u>

Note J - Retirement Plan

During 2016, Lexington Rescue Mission, Inc., implemented a 401(k) retirement plan (the Plan) for employees who are 21 years of age and have worked at the Mission for at least 260 hours. The Mission matches contributions up to 3% of each qualified employee's annual gross wages. The matching contributions vest ratably over a 3-year period with all contributions being fully vested after the third year of participation. The Mission's contributions to the Plan during the years ended December 31, 2019 and 2018 were \$29,724 and \$5,528, respectively.

Note K - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position as of December 31, 2019, comprise the following:

Financial assets at year-end:	
Cash	\$ 249,511
Accounts receivable	<u>45,812</u>
Total financial assets	295,323
Less net assets with donor and purpose restrictions	(61,069)
Less general expenditures due within one year	<u>(79,141)</u>
Net financial assets available for general expenditure within one year	<u>\$ 155,113</u>

LEXINGTON RESCUE MISSION, INC.

Notes to the Financial Statements

December 31, 2019 and 2018

Note L - New Accounting Pronouncements

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606, as amended)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard replaced most existing revenue recognition guidance in GAAP and permitted the use of either a full retrospective or retrospective with cumulative effect transition method. This updated standard became effective for the Mission during the year ended December 31, 2019. The Mission implemented this standard on January 1, 2019 with no material impact.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This standard will be effective for the Mission for the year ending December 30, 2020.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses*. The standard requires a financial asset (including trade and grant receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the income statement will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the Mission for the year ending December 31, 2021.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this standard assists entities in 1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and 2) determining whether contribution is conditional. This standard became effective for the Mission for the year ending December 31, 2019.

The Mission is currently in the process of evaluating the impact of adoption of ASU 2016-2 and ASU 2016-13 on the financial statements.

Note M - Management's Review of Subsequent Events

The Mission has evaluated and considered the need to recognize or disclose subsequent events through March 24, 2020, which represents the date that these financial statements were available to be issued. Subsequent events past this date, as they pertain to the year ended December 31, 2019, have not been evaluated by the Mission.