

Peoria Rescue Ministries

Annual Financial Report

December 31, 2021



PEORIA RESCUE MINISTRIES
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Eric Hjerpe, CPA
Brett Tennison, CPA, MBA

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, 2021, 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, 2021, 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' 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hjerpe & Tennison CPAs, LLC

Pekin, IL

May 6, 2022

**PEORIA RESCUE MINISTRIES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020**

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,297,403	\$ 2,880,761
Prepaid expenses	83,587	74,607
Accounts receivable	89,078	124,536
Notes receivable - receivable within one year	3,462	3,327
Inventory	80,421	78,593
	<u>2,553,951</u>	<u>3,161,824</u>
TOTAL CURRENT ASSETS		
PROPERTY AND EQUIPMENT		
Land	499,919	499,919
Buildings	5,480,365	4,327,500
Equipment	1,912,034	1,819,801
	<u>7,892,318</u>	<u>6,647,220</u>
Less: accumulated depreciation	(4,087,936)	(3,887,836)
	<u>3,804,382</u>	<u>2,759,384</u>
TOTAL PROPERTY AND EQUIPMENT		
OTHER NONCURRENT ASSETS		
Notes receivable - receivable in more than one year	1,783	5,244
	<u>3,806,165</u>	<u>2,764,628</u>
TOTAL NONCURRENT ASSETS		
	<u>\$ 6,360,116</u>	<u>\$ 5,926,452</u>
TOTAL ASSETS		
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 123,465	\$ 22,547
Accrued payroll expenses	215,849	223,116
	<u>339,314</u>	<u>245,663</u>
TOTAL CURRENT LIABILITIES		
TOTAL LIABILITIES		
	<u>339,314</u>	<u>245,663</u>
NET ASSETS		
Net assets without donor restrictions		
Designated for operations	2,216,420	2,921,405
Invested in property and equipment	3,804,382	2,759,384
	<u>6,020,802</u>	<u>5,680,789</u>
TOTAL NET ASSETS		
	<u>\$ 6,360,116</u>	<u>\$ 5,926,452</u>
TOTAL LIABILITIES AND NET ASSETS		

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

PEORIA RESCUE MINISTRIES
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
	Without Donor Restriction	Without Donor Restriction
	<u> </u>	<u> </u>
REVENUES, GAINS AND OTHER SUPPORT		
Support from the public and programs:		
Contributions	\$ 3,184,717	\$ 2,969,184
In-kind contributions	796,340	627,447
Wood product sales	576,084	758,446
Banquet/special events	389,844	254,433
Total public support	<u>4,946,985</u>	<u>4,609,510</u>
Investment revenue:		
Interest revenue	3,266	12,735
Total investment revenue	<u>3,266</u>	<u>12,735</u>
Other revenue:		
Speaker fees	1,886	1,625
Gain on sale of assets	7,788	3,638
Other revenue	48,903	14,720
Total other revenue	<u>58,577</u>	<u>19,983</u>
Total revenue	<u>5,008,828</u>	<u>4,642,228</u>
EXPENSES		
Program services:		
Downtown Mission	1,372,188	1,318,603
Victory Acres	615,649	650,628
Empower Life Center	310,547	275,788
Barnabas Center	242,371	221,894
Esther House	696,018	624,478
International Ministries	138,641	165,535
Thrift Shop	189,940	182,588
Total program services	<u>3,565,354</u>	<u>3,439,514</u>
Supporting services:		
Development	674,649	577,732
Management and general	428,812	446,799
Total supporting services	<u>1,103,461</u>	<u>1,024,531</u>
Total program and supporting services expenses	<u>4,668,815</u>	<u>4,464,045</u>
CHANGE IN NET ASSETS	340,013	178,183
NET ASSETS, beginning of year	<u>5,680,789</u>	<u>5,502,606</u>
NET ASSETS, end of year	<u>\$ 6,020,802</u>	<u>\$ 5,680,789</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, 2021
(with comparative totals for the year ended December 31, 2020)

	Program Services					
	Downtown Mission	Victory Acres	Empower Life Center	Barnabas Center	Esther House	International Ministries
Salaries and related expenses	\$ 734,029	\$ 261,608	\$ 214,663	\$ 192,968	\$ 491,873	\$ -
Stipends	29,822	15,442	-	-	3,080	-
Promotion	133	-	7,736	-	-	-
Appeals and letters	-	-	-	-	-	-
Supplies	16,911	3,695	5,100	3,155	9,950	35
Banquet/Special events	-	-	-	-	-	-
Wood product	-	76,816	-	-	-	-
Donated vehicle repairs	24,805	-	-	-	-	-
Mission support	10,000	-	-	-	-	138,500
Utilities	65,932	26,630	11,203	8,752	42,949	-
Food expense	8,005	438	48	88	1,237	-
Client expense	19,030	1,431	1,743	72	11,230	-
Transportation	24,206	7,058	-	76	1,778	106
Insurance	44,359	35,183	10,659	4,725	19,730	-
Equipment repairs	21,461	25,735	13,266	3,574	13,317	-
Building repairs and maintenance	41,610	22,614	6,852	2,981	20,719	-
Conferences	924	-	3,413	1,539	-	-
Professional fees	5,515	1,538	2,132	3,237	2,989	-
Program materials	9,859	2,376	4,688	962	3,326	-
Payroll processing	-	-	-	-	-	-
Donated items distributed	250,397	42,295	14,321	-	30,310	-
Bad debt expense	900	-	-	-	-	-
Other expenses	19,203	3,294	1,368	2,269	1,702	-
Subtotal	1,327,101	526,153	297,192	224,398	654,190	138,641
Depreciation	45,087	89,496	13,355	17,973	41,828	-
Total	\$ 1,372,188	\$ 615,649	\$ 310,547	\$ 242,371	\$ 696,018	\$ 138,641

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, 2021
(with comparative totals for the year ended December 31, 2020)

		<u>Supporting Services</u>				
Thrift Shop	Total Program Services	Development	Management and General	Total Supporting Services	2021 Total Expenses	2020 Total Expenses
\$ 123,560	\$ 2,018,701	\$ 195,062	\$ 307,554	\$ 502,616	\$ 2,521,317	\$ 2,379,527
2,790	51,134	-	-	-	51,134	42,215
-	7,869	86,613	1,972	88,585	96,454	77,184
-	-	277,018	-	277,018	277,018	229,011
909	39,755	2,007	33,122	35,129	74,884	65,132
-	-	101,682	-	101,682	101,682	81,044
-	76,816	-	-	-	76,816	173,260
-	24,805	-	-	-	24,805	20,924
-	148,500	-	-	-	148,500	165,500
16,045	171,511	520	3,770	4,290	175,801	156,216
-	9,816	-	-	-	9,816	6,430
-	33,506	-	-	-	33,506	23,054
4,955	38,179	82	3,599	3,681	41,860	40,616
7,812	122,468	983	6,838	7,821	130,289	91,634
4,227	81,580	5,967	6,662	12,629	94,209	98,114
7,990	102,766	-	-	-	102,766	78,240
-	5,876	1,163	6,469	7,632	13,508	4,901
468	15,879	408	13,796	14,204	30,083	40,420
829	22,040	1,681	-	1,681	23,721	8,745
-	-	-	7,386	7,386	7,386	6,432
4,563	341,886	-	-	-	341,886	358,057
-	900	-	-	-	900	6,000
735	28,571	1,463	28,050	29,513	58,084	82,462
174,883	3,342,558	674,649	419,218	1,093,867	4,436,425	4,235,118
15,057	222,796	-	9,594	9,594	232,390	228,927
<u>\$ 189,940</u>	<u>\$ 3,565,354</u>	<u>\$ 674,649</u>	<u>\$ 428,812</u>	<u>\$ 1,103,461</u>	<u>\$ 4,668,815</u>	<u>\$ 4,464,045</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, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 340,013	\$ 178,183
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	232,390	228,927
(Gain) loss on sale of assets	(7,788)	(3,638)
(Increase) decrease in assets:		
Accounts receivable	35,458	32,378
Notes receivable	3,326	3,197
Inventory	(1,828)	102,915
Prepaid expenses	(8,980)	(40,194)
Increase (decrease) in liabilities:		
Accounts payable	100,918	(5,428)
Accrued payroll expenses	(7,267)	100,161
CASH PROVIDED BY OPERATING ACTIVITIES	686,242	596,501
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of assets	25,000	9,300
Cash paid for purchases of fixed assets	(1,294,600)	(209,154)
CASH USED FOR INVESTING ACTIVITIES	(1,269,600)	(199,854)
 NET INCREASE (DECREASE) IN CASH	(583,358)	396,647
 CASH AT BEGINNING OF YEAR	2,880,761	2,484,114
 CASH AT END OF YEAR	\$ 2,297,403	\$ 2,880,761
 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, 2021

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

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

In addition, the Organization engages in activities at Victory Acres, which includes pallet recycling, mulch manufacturing and sales. Sales of pallets to Caterpillar, Inc. account for 7% of Peoria Rescue Ministries' total revenue. The Organization provides funding support from these activities for biblical training centers in Riga, Latvia and Kiev, Ukraine, as well as support of a missionary in Kiev, Ukraine. The Organization also operates a retail thrift store. Peoria Rescue Ministries receives the majority of its funding from charitable contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL STATEMENT PRESENTATION

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

B. BASIS OF ACCOUNTING

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

C. PRIOR YEAR SUMMARIZED FINANCIAL INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

D. INCOME TAX STATUS

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal or state income taxes. The Organization is not classified as a private foundation. By statute, the Organization's federal information return, Form 990, for tax years 2019, 2020, and 2021 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, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. Peoria Rescue Ministries is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. ESTIMATES

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

F. CASH EQUIVALENTS

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

G. INVENTORIES

Inventories include pallet and wood chip raw materials held at Victory Acres, vehicles, thrift store merchandise, 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:

	2021	2020
Pallets & wood chips	\$ 23,981	\$ 25,012
Vehicles	6,525	10,340
Thrift store merchandise	23,430	16,756
Contributed assets	26,485	26,485
Total	\$ 80,421	\$ 78,593

H. PROPERTY AND EQUIPMENT

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

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

I. ACCOUNTS RECEIVABLE

Accounts receivable for Peoria Rescue Ministries arise from the sale of pallets and wood chips at Victory Acres, the sale of purchased and donated vehicles, and unconditional contributions receivable. As of December 31, 2021, the entire accounts receivable balance of \$89,078 relates to 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, 2021, there was \$900 in bad debt write offs related to the vehicle sale program. Wood product accounts receivable are considered to be past due if payment has not been received within 30 days.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

I. ACCOUNTS RECEIVABLE – Continued

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

J. NOTES RECEIVABLE

On May 24, 2016, 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 require payments in monthly installments of \$301, including interest of 4% with the final payment due in June 2023. Interest is recognized when received. Peoria Rescue Ministries carries its note receivable at cost. Future payments for this note are as follows:

Fiscal Year Ending	Principal	Interest
December 31, 2022	3,462	147
December 31, 2023	1,783	21
Total	\$ 5,245	\$ 168

K. NET ASSETS

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

Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets. Net assets are considered restricted until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction expires.

L. CONTRIBUTIONS

Contributions received are recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service. Peoria Rescue Ministries generally recognizes contributions in the year received, with the value of gifts-in-kind determined as described in Note 4.

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, 2021

NOTE 3 – CONCENTRATION OF CREDIT RISK

Peoria Rescue Ministries maintains its cash and cash equivalents at two financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC); however, they may subject the Organization to concentrations of credit risk, as, from time to time, balances may exceed amounts insured by the FDIC. Management considers this to be a normal business risk. At December 31, 2021, none of Peoria Rescue Ministries' bank balances were uninsured.

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

NOTE 4 – GIFTS-IN-KIND AND DONATED SERVICES

Occasionally the Organization receives donations of fixed assets. These fixed assets are capitalized and are included in the statement of financial position. During 2021, construction costs at a value of \$114,912 were donated to the Organization for the new Transitional Community.

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 is recognized as in-kind contributions with a corresponding expense for programs when consumed at an estimated value of \$2.30 per meal served and \$3.60 per article of clothing provided. Management believes these estimated values for donated food and clothing are conservative based on the cost and value studies performed. Other assets donated are recorded at estimated fair value on the date received.

Donated services 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.

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

Gifts-in-kind received	<u>2021</u>	<u>2020</u>
Thrift store donations	\$ 210,336	\$ 150,776
Vehicles	130,313	101,244
Food	162,024	164,979
Clothing	127,728	140,717
Diapers and formula	12,553	15,384
Personal hygiene items	35,018	35,219
Other items	<u>3,456</u>	<u>18,159</u>
	681,428	626,478
Donated construction costs	114,912	-
Donated legal services	<u>-</u>	<u>969</u>
Total gifts-in-kind received	<u>\$ 796,340</u>	<u>\$ 627,447</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.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2021

NOTE 5 – WOOD PRODUCT EXPENSES

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

	2021	2020
<u>Wood Product Expense</u>		
Pallet production	\$ 26,545	\$ 29,420
Wood chip production	47,593	38,211
Shop expense	1,648	1,741
Year end inventory adjustment	1,030	103,888
	\$ 76,816	\$ 173,260

NOTE 6 – RETIREMENT PLAN

The Organization maintains a SIMPLE-IRA retirement plan. Participation is limited to employees who received at least \$5,000 in compensation in the prior year, or who can reasonably be expected to receive at least \$5,000 in compensation in the current calendar year. Employee participation is subject to a 90-day probation period. The Organization provides a matching contribution equal to the employee's contributions up to a limit of 3% of compensation earned. The 2021 matching contribution amount was \$40,974 and is included in accrued payroll expenses on the Statement of Financial Position.

NOTE 7 – LIQUIDITY AND FUNDS AVAILABILITY

The following table reflects the Organization's financial assets as of December 31, 2021, 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,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 2,297,403	\$ 2,880,761
Accounts and notes receivable	94,323	133,107
Financial assets, at year end	2,391,726	3,013,868
Less those unavailable for general expenditures within one year due to:		
Noncurrent portion of notes receivable	(1,783)	(5,244)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,389,943	\$ 3,008,624

Peoria Rescue Ministries has \$2,389,943 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures after subtracting \$1,783 of the financial assets which are subject to contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. Other expenditures are also funded by contributions as collected.

Peoria Rescue Ministries
Notes to the Financial Statements - Continued
December 31, 2021

NOTE 7 – LIQUIDITY AND FUNDS AVAILABILITY – Continued

In the event of an unanticipated liquidity need, the Organization could borrow from a local bank using the fixed assets as collateral.

NOTE 8 – COMPENSATED ABSENCES – VACATION POLICY

Peoria Rescue Ministries revised their vacation policy in 2020. According to the guidelines of the revised policy, the Organization had an accrual for vacation time earned and payable as of December 31, 2021 of \$60,247, which is reported in accrued payroll expenses on the Statement of Financial Position.

NOTE 9 – RISKS AND UNCERTAINTIES

In March 2020, the COVID-19 virus was declared a global pandemic. The impact of the pandemic continued into 2021. Management's evaluations of current finances show no concern for ongoing operations of Peoria Rescue Ministries. Management is carefully monitoring the situation and evaluating options during this time to continue to serve its mission during the pandemic while complying with various governmental mandates. No available government funding associated with COVID-19 was pursued in 2021 and no adjustments have been made to these financial statements.

NOTE 10 – SUBSEQUENT EVENTS

In March 2022 Peoria Rescue Ministries discontinued the operations of its thrift store, with plans to convert the thrift store building into a pallet creations enterprise workspace. The new enterprise activity will provide a work training program for clients of the Ministries. Management has evaluated the financial impact of closing the Thrift Store and expects it to be minimal. At the time of the store closing, remaining items for sale were distributed within the Ministry programs or donated to other area thrift stores. Thrift store employees were reassigned to other Ministry programs.

Subsequent to year end, 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.

Peoria Rescue Ministries has evaluated subsequent events occurring after the statement of financial position date through May 6, 2022, 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.