

# **People's City Mission**

Independent Auditor's Report and  
Consolidated Financial Statements

December 31, 2019 and 2018

# People's City Mission

## December 31, 2019 and 2018

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## Independent Auditor's Report

Board of Directors  
People's City Mission  
Lincoln, Nebraska

We have audited the accompanying consolidated financial statements of People's City Mission, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of People's City Mission as of December 31, 2019 and 2018, 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.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary consolidating information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**BKD, LLP**

Lincoln, Nebraska  
August 20, 2020

**People's City Mission**  
**Consolidated Statements of Financial Position**  
**December 31, 2019 and 2018**

**Assets**

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,020,991	\$ 729,123
Bequests and other receivables	119,056	555,616
Grant reimbursements receivable	89,234	131,106
Inventories	292,383	391,201
Prepaid expenses	22,294	23,587
Investments	5,286	-
Investment in Curtis Center Housing, LP	97,626	97,645
Beneficial interest in perpetual and remainder trusts	190,767	166,629
Other	110,664	113,095
Property and equipment, net of accumulated depreciation of \$3,586,530 and \$3,386,477 in 2019 and 2018, respectively	2,281,730	2,438,591
Total assets	\$ 4,230,031	\$ 4,646,593

**Liabilities and Net Assets**

<b>Liabilities</b>		
Accounts payable	\$ 166,211	\$ 171,300
Accrued expenses	199,369	183,142
Long-term debt	725,533	793,856
Total liabilities	1,091,113	1,148,298
<b>Net Assets</b>		
Without donor restrictions	2,918,274	2,794,186
With donor restrictions	220,644	704,109
Total net assets	3,138,918	3,498,295
Total liabilities and net assets	\$ 4,230,031	\$ 4,646,593

**People's City Mission**  
**Consolidated Statements of Activities**  
**Years Ended December 31, 2019 and 2018**

	<b>2019</b>		<b>Total</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	
<b>Revenues, Gains and Other Support</b>			
Contributions	\$ 2,060,175	\$ 50,333	\$ 2,110,508
In-kind contributions	9,346,449	-	9,346,449
Probation housing revenue	724,330	-	724,330
Grants	337,208	-	337,208
Clothing recycling	752,209	-	752,209
Other	159,343	-	159,343
Net assets released from restrictions	557,936	(557,936)	-
	<u>13,937,650</u>	<u>(507,603)</u>	<u>13,430,047</u>
<b>Expenses and Losses</b>			
Men's Shelter	602,745	-	602,745
Family and Women's Shelter	766,189	-	766,189
Food Service	874,561	-	874,561
Help Center	9,510,363	-	9,510,363
Medical Clinic	197,363	-	197,363
Transitional	283,301	-	283,301
Recycling	405,848	-	405,848
	<u>12,640,370</u>	<u>-</u>	<u>12,640,370</u>
Total program services	12,640,370	-	12,640,370
Management and general	670,505	-	670,505
Fund raising	503,706	-	503,706
	<u>13,814,581</u>	<u>-</u>	<u>13,814,581</u>
<b>Operating Income (Loss)</b>	123,069	(507,603)	(384,534)
<b>Nonoperating - Investment Return (Loss)</b>	1,019	24,138	25,157
<b>Change in Net Assets</b>	124,088	(483,465)	(359,377)
<b>Net Assets, Beginning of Year</b>	2,794,186	704,109	3,498,295
<b>Net Assets, End of Year</b>	<u>\$ 2,918,274</u>	<u>\$ 220,644</u>	<u>\$ 3,138,918</u>

See Notes to Consolidated Financial Statements

<b>2018</b>		
<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
\$ 2,084,931	\$ 517,604	\$ 2,602,535
8,579,631	-	8,579,631
779,580	-	779,580
279,760	-	279,760
718,948	-	718,948
168,704	-	168,704
23,895	(23,895)	-
12,635,449	493,709	13,129,158
593,789	-	593,789
704,496	-	704,496
891,791	-	891,791
8,273,010	-	8,273,010
754,561	-	754,561
316,945	-	316,945
443,344	-	443,344
11,977,936	-	11,977,936
588,345	-	588,345
515,189	-	515,189
13,081,470	-	13,081,470
(446,021)	493,709	47,688
19,287	(14,211)	5,076
(426,734)	479,498	52,764
3,220,920	224,611	3,445,531
\$ 2,794,186	\$ 704,109	\$ 3,498,295

**People's City Mission**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Operating Activities</b>		
Change in net assets	\$ (359,377)	\$ 52,764
Items not requiring (providing) operating activities cash flows		
Change in contributed inventories	98,818	246,014
Depreciation	200,846	216,756
(Gain) loss on disposal of property and equipment	(31)	280
Net realized and unrealized (gains) losses on investments	(256)	120,136
(Gain) loss on beneficial interest in perpetual and remainder trusts	(24,138)	18,836
Noncash contributions	(5,030)	-
Changes in		
Bequests and other receivables	436,560	(547,456)
Grant reimbursements receivable	41,872	9,545
Prepaid expenses	1,293	(2,551)
Other assets	2,431	(4,345)
Accounts payable and accrued expenses	2,152	(100,375)
	<u>395,140</u>	<u>9,604</u>
Net cash provided by operating activities		
	<u>395,140</u>	<u>9,604</u>
<b>Investing Activities</b>		
Purchase of property and equipment	(35,949)	(33,501)
Purchase of investments	-	(37,578)
Proceeds from sales of investments	-	829,194
Proceeds from sales of property and equipment	1,000	628
	<u>(34,949)</u>	<u>758,743</u>
Net cash provided by (used in) investing activities		
	<u>(34,949)</u>	<u>758,743</u>
<b>Financing Activities</b>		
Proceeds from line of credit (greater than three months)	-	442,957
Payments on line of credit (greater than three months)	-	(976,957)
Proceeds from issuance of note payable	-	700,000
Principal payments on notes payable	(64,956)	(513,398)
Principal payments under capital lease obligations	(3,367)	(1,613)
	<u>(68,323)</u>	<u>(349,011)</u>
Net cash used in financing activities		
	<u>(68,323)</u>	<u>(349,011)</u>
<b>Increase in Cash and Cash Equivalents</b>	291,868	419,336
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>729,123</u>	<u>309,787</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,020,991</u>	<u>\$ 729,123</u>
<b>Supplemental Cash Flows Information</b>		
Interest paid	\$ 34,789	\$ 35,542
Long-term debt incurred for purchase of property and equipment	\$ -	\$ 6,800
Accounts payable incurred for purchase of property and equipment	\$ 8,986	\$ -



**People's City Mission**  
**Consolidated Statement of Functional Expenses**  
**Year Ended December 31, 2019**

	<b>Men's Shelter</b>	<b>Family &amp; Women's Shelter</b>	<b>Food Service</b>	<b>Help Center</b>
Salaries	\$ 316,297	\$ 345,621	\$ 99,668	\$ 512,808
Employee benefits	97,413	64,901	18,073	42,167
Payroll taxes	20,430	26,710	8,107	40,211
<b>Total salaries and related expenses</b>	<b>434,140</b>	<b>437,232</b>	<b>125,848</b>	<b>595,186</b>
Professional and consulting fees	4,075	6,660	4,368	4,075
Bank fees	-	-	-	-
Supplies	18,015	102,308	234,267	3,775
Telephone	3,814	6,134	1,131	5,704
Postage and shipping	55	55	-	-
Occupancy	16,926	51,736	6,954	185,128
Rent and maintenance of equipment	11,977	29,590	4,610	11,209
Printing and publications	-	-	-	-
Advertising	-	-	-	-
Travel	1,949	2,658	647	1,103
Conferences and conventions	36	379	33	643
Custodial and investment advisory fees	-	-	-	-
Interest expense	8,263	8,263	-	8,569
Special events	-	-	-	-
Specific assistance to individuals	569	1,056	-	8
Specific assistance to individuals - in-kind	117	1,886	492,795	8,671,499
Other program expenses	-	30	29	-
Membership	48	973	-	-
Insurance	17,680	34,416	3,813	19,447
Miscellaneous	4,743	2,475	66	-
<b>Total expenses before depreciation</b>	<b>522,407</b>	<b>685,851</b>	<b>874,561</b>	<b>9,506,346</b>
Depreciation	80,338	80,338	-	4,017
<b>Total expenses</b>	<b>\$ 602,745</b>	<b>\$ 766,189</b>	<b>\$ 874,561</b>	<b>\$ 9,510,363</b>

<b>Medical Clinic</b>	<b>Transitional</b>	<b>Recycling</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fund Raising</b>	<b>Total Expenses</b>
\$ 126,068	\$ 107,937	\$ 99,830	\$ 1,608,229	\$ 281,612	\$ 233,075	\$ 2,122,916
-	27,482	20,721	270,757	45,614	46,389	362,760
-	11,243	7,331	114,032	20,812	18,752	153,596
126,068	146,662	127,882	1,993,018	348,038	298,216	2,639,272
7,088	-	4,075	30,341	46,826	8,569	85,736
-	-	-	-	21,673	-	21,673
1,970	-	18,157	378,492	14,758	6,502	399,752
1,324	20	2,093	20,220	4,418	4,588	29,226
-	-	-	110	690	6,402	7,202
6,678	495	18,847	286,764	13,864	-	300,628
2,729	97,091	142,492	299,698	21,575	32,029	353,302
-	-	-	-	-	63,121	63,121
-	-	-	-	146,460	-	146,460
853	387	15,066	22,663	695	615	23,973
-	-	41	1,132	177	1,850	3,159
-	-	-	-	235	-	235
-	-	935	26,030	9,029	-	35,059
-	-	-	-	95	50,429	50,524
-	-	-	1,633	-	-	1,633
33,790	-	-	9,200,087	-	-	9,200,087
9,622	36,271	-	45,952	-	55	46,007
-	-	-	1,021	-	2,222	3,243
6,940	-	16,995	99,291	15,544	6,921	121,756
301	2,375	55,248	65,208	16,386	93	81,687
197,363	283,301	401,831	12,471,660	660,463	481,612	13,613,735
-	-	4,017	168,710	10,042	22,094	200,846
<u>\$ 197,363</u>	<u>\$ 283,301</u>	<u>\$ 405,848</u>	<u>\$ 12,640,370</u>	<u>\$ 670,505</u>	<u>\$ 503,706</u>	<u>\$ 13,814,581</u>

**People's City Mission**  
**Consolidated Statement of Functional Expenses**  
**Year Ended December 31, 2018**

	<b>Men's Shelter</b>	<b>Family &amp; Women's Shelter</b>	<b>Food Service</b>	<b>Help Center</b>
Salaries	\$ 311,609	\$ 319,548	\$ 98,601	\$ 432,452
Employee benefits	83,767	71,262	14,087	52,223
Payroll taxes	23,786	25,625	8,109	33,846
<b>Total salaries and related expenses</b>	<b>419,162</b>	<b>416,435</b>	<b>120,797</b>	<b>518,521</b>
Professional and consulting fees	4,200	4,200	4,200	4,200
Bank fees	-	-	-	-
Supplies	18,314	44,848	231,431	4,967
Telephone	3,375	5,114	889	4,510
Postage and shipping	-	13	-	-
Occupancy	15,943	60,596	5,955	176,770
Rent and maintenance of equipment	11,107	36,488	823	8,409
Printing and publications	-	-	-	-
Advertising	-	-	-	-
Travel	1,726	2,326	912	3,890
Conferences and conventions	393	935	14	512
Custodial and investment advisory fees	-	-	-	-
Interest expense	8,958	8,958	-	9,265
Special events	-	-	-	-
Specific assistance to individuals	-	1,121	-	-
Specific assistance to individuals - in-kind	5,351	2,540	523,932	7,521,943
Other program expenses	-	-	-	-
Membership	48	48	-	-
Insurance	15,863	30,038	2,769	17,361
Miscellaneous	520	2,007	69	-
<b>Total expenses before depreciation</b>	<b>504,960</b>	<b>615,667</b>	<b>891,791</b>	<b>8,270,348</b>
Depreciation	88,829	88,829	-	2,662
<b>Total expenses</b>	<b>\$ 593,789</b>	<b>\$ 704,496</b>	<b>\$ 891,791</b>	<b>\$ 8,273,010</b>

See Notes to Consolidated Financial Statements

<b>Medical Clinic</b>	<b>Transitional</b>	<b>Recycling</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fund Raising</b>	<b>Total Expenses</b>
\$ 202,219	\$ 109,827	\$ 111,609	\$ 1,585,865	\$ 258,671	\$ 240,641	\$ 2,085,177
(851)	32,943	24,762	278,193	51,685	33,920	363,798
2,287	12,770	8,622	115,045	19,375	18,509	152,929
203,655	155,540	144,993	1,979,103	329,731	293,070	2,601,904
6,440	-	6,759	29,999	43,179	8,440	81,618
-	-	-	-	25,552	-	25,552
4,944	-	18,723	323,227	4,900	6,666	334,793
2,685	-	2,094	18,667	3,046	4,401	26,114
-	-	-	13	649	4,215	4,877
9,561	2,915	26,927	298,667	12,743	573	311,983
4,782	97,924	140,923	300,456	9,829	33,585	343,870
-	-	-	-	-	54,644	54,644
200	-	-	200	99,971	-	100,171
-	1,069	14,439	24,362	1,387	1,519	27,268
-	-	520	2,374	473	2,853	5,700
-	-	-	-	4,253	-	4,253
-	-	1,565	28,746	10,321	-	39,067
-	-	-	-	45	69,185	69,230
-	-	-	1,121	-	-	1,121
513,821	-	-	8,567,587	-	-	8,567,587
5,772	57,386	-	63,158	-	-	63,158
-	-	-	96	-	4,386	4,482
9,648	-	14,910	90,589	15,823	5,027	111,439
(6,947)	2,111	68,829	66,589	16,452	2,842	85,883
754,561	316,945	440,682	11,794,954	578,354	491,406	12,864,714
-	-	2,662	182,982	9,991	23,783	216,756
<u>\$ 754,561</u>	<u>\$ 316,945</u>	<u>\$ 443,344</u>	<u>\$ 11,977,936</u>	<u>\$ 588,345</u>	<u>\$ 515,189</u>	<u>\$ 13,081,470</u>

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

People's City Mission (the "Organization") is a not-for-profit organization whose mission and principal activities are to provide temporary housing for the homeless in Lincoln, Nebraska. Residents and low-income individuals in the community are provided with casework services to help them obtain employment, used clothing, food, medical care and referrals. The Organization's revenues and other support are derived principally from contributions and grants.

The Organization's main programs include:

***Men's Shelter:*** Provides a safe, secure, clean shelter with a bed, showers, clean clothing, personal hygiene items, employment assistance, laundry facilities, mail services and access to legal assistance.

***Family and Women's Shelter:*** Provides a safe, secure, clean shelter for homeless single women, single mothers with children, single fathers with children and married couples with or without children. Living quarters are in shared rooms with bath and laundry facilities provided. Clothing, personal care items and childcare items are available as needed.

***Food Service:*** Provides meals to shelter guests.

***Help Center:*** The primary receiving, sorting and distribution point for free food, clothing, household items, furniture, toys and personal care items.

***Medical Clinic:*** Provides health and dental care to uninsured residents of Lincoln and Lancaster County who are homeless or low-income.

***Transitional:*** A transitional housing program for men and women that includes private sleeping rooms equipped with a refrigerator, microwave and sink. Other amenities include laundry facilities, a community lounge, a library, courtyards and 24-hour staff. Residents must be accepted into this program and the maximum stay is 24 months.

***Recycling:*** Recycle donated clothing and goods.

***Principles of Consolidation***

The consolidated financial statements of the Organization include the accounts and operations of the following organizations – The People's City Mission Home, People's City Mission Foundation, PCM Medical Clinic and PCM Housing Corporation. All significant intercompany balances and transactions have been eliminated in consolidation.

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued**

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 amounts of revenues, expenses gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Cash Equivalents***

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2019 and 2018, cash equivalents consisted primarily of money market accounts with brokers. The Organization's bank balances at one financial institution exceeded federally insured limits by approximately \$445,100 at December 31, 2019.

***Accounts Receivable***

Accounts receivable consists of bequests and other business trade transactions. All receivables are stated at the amount of consideration from customers of which the Organization has an unconditional right to receive. Based on a review of outstanding receivables, historical collection information and existing economic conditions, no allowance for doubtful accounts is deemed necessary.

***Inventory Valuation***

Inventories consist primarily of donated food, clothing, furniture, toys, pharmaceuticals and personal care items. Purchased inventory is stated at the lower of cost or net realizable value. Donated items are stated at an average market price comparable to discounted retail or thrift store prices.

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued**

***Investments and Investment Return***

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

***Investment in Affiliate***

The investment in a 0.01%-owned affiliate, Curtis Center Housing, L.P., is stated at amortized cost plus equity in the affiliate's undistributed net income since acquisition.

***Property and Equipment***

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements and capital lease obligations are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and improvements	7-39 years
Furniture and equipment	3-10 years
Vehicles	5 years

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued**

***Long-lived Asset Impairment***

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2019 and 2018.

***Net Assets***

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.



**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued**

***Contributions***

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor 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. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Gifts of land, buildings, equipment and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

***Contributed Services***

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Contribution revenue recognized from contributed services during 2019 and 2018 consisted of advertising and marketing services totaling \$34,450 and \$46,105, respectively, for management and general activities. In addition, professional services provided by doctors and nurses totaling \$125,191 and \$176,702 were recognized in 2019 and 2018, respectively, for the medical clinic.

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued**

***In-Kind Contributions***

In addition to receiving cash contributions, the Organization receives in-kind contributions of food, clothing, furniture, toys, pharmaceuticals and personal care items from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an increase in contribution revenue when the items are received and as an expense when the items are distributed to those in need or used in the Organization's operations. For the years ended December 31, 2019 and 2018, \$9,186,808 and \$8,356,824, respectively, was received in in-kind contributions. In-kind contribution expense related to the distribution of in-kind inventory for the years ended December 31, 2019 and 2018, was \$9,200,087 and \$8,567,587, respectively.

***Government Grants***

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

***Income Taxes***

The People's City Mission Home, People's City Mission Foundation, PCM Housing Corporation and PCM Medical Clinic are exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income, and the entities file tax returns in the U.S. federal jurisdiction. The entities recognize interest and penalties on income taxes, if any, as a component of income tax expense.

***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fund raising categories based on the number of personnel, square footage and other methods.

***Transfers Between Fair Value Hierarchy Levels***

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

***Reclassifications***

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation. These reclassifications had no effect on the change in net assets.

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 2: Changes in Accounting Principle**

***Revenue Recognition***

On January 1, 2019, the Organization adopted the Financial Accounting Standards Board Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*, (ASU 2014-09) using a modified retrospective method of adoption to open contracts with customers at January 1, 2019.

The core guidance of ASU 2014-09 is to recognize revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which the Organization expects to be entitled in exchange for those goods or services.

The amount to which the Organization expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing goods or services.

Adoption of ASU 2014-09 did not result in a change to the timing of revenue recognition.

***Contributions***

On January 1, 2019, the Organization adopted the Financial Accounting Standards Board Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08) applicable to contributions received and to contributions made using a modified prospective basis.

The core guidance of ASU 2018-08 is to assist entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. For non-exchange transactions, the contribution guidance in Accounting Standards Codification 958 (ASC 958) is typically applied, whereas for exchange transactions, the guidance in ASC 606 is typically applied.

Adoption of ASU 2018-08 did not result in a change to previously reported net assets.

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 3: Revenue from Contracts with Customers**

***Accounting Policies and Practical Expedients Elected***

The Organization has elected to apply the portfolio approach to the contracts evaluated under Topic 606. A portfolio approach is permitted if it is reasonably expected that the approach's impact on the financial statements will not be materially different from the impact of applying the revenue standard on an individual contract basis.

***Revenue***

Performance obligations are determined based on the nature of the goods or services provided by the Organization in accordance with the contract. The Organization believes this method provides a faithful depiction of the transfer of services over the term of the performance obligations based on the inputs needed to satisfy the obligation.

Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to customers at a single point in time and the Organization does not believe it is required to provide additional goods or services related to that sale.

The Organization has no transactions which require the allocation of the selling price to multiple performance obligations and no variable consideration.

***Performance Obligations***

Revenue is measured as the amount of consideration the Organization expects to receive in exchange for transferring distinct goods or providing services to customers. The Organization's revenue consists substantially of clothing recycling revenue and is reported net of sales discounts, returns and other allowances offered to customers. The Organization recognizes revenue when performance obligations under the terms of contracts with its customers are satisfied, which occurs when control passes to a customer to enable them to direct the use of and obtain benefit from a product or when services are provided to customers. Customary terms may vary among customers, but typically require payment within 30 days.

***Transaction Price and Recognition***

The Organization determines the transaction price based on standard charges for goods and services provided.

From time to time the Organization will receive overpayments of customer balances resulting in amounts owed back to either customers or third parties. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. As of December 31, 2019 and 2018, the Organization has a liability for refunds to customers recorded of approximately \$10,253 and \$27,259, respectively, reported in accrued expenses on the Consolidated Statements of Financial Position.

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 3: Revenue from Contracts with Customers - Continued**

***Transaction Price and Recognition - Continued***

For the years ended December 31, 2019 and 2018, the Organization recognized revenue of \$911,952 and \$887,652, respectively, from goods and services that transfer to the customer at a point in time.

***Contract Balances***

The following table provides information about the Organization's receivables and contract liabilities from contracts with customers:

	<u>2019</u>	<u>2018</u>
Accounts receivable, beginning of year	\$ 105,168	\$ -
Accounts receivable, end of year	119,056	105,168
Contract liabilities, beginning of year	27,259	-
Contract liabilities, end of year	10,253	27,259

**Note 4: Grant Reimbursements Receivable and Future Commitments**

The Organization receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the consolidated financial statements of the Organization are prepared on the accrual basis, all earned portions of the grants not received as of December 31, 2019 and 2018, have been recorded as receivables. Following are the grant commitments that extend beyond December 31, 2019:

<u>Grant</u>	<u>Term</u>	<u>Grant Amount</u>	<u>Earned Through 2019</u>	<u>Funding Available</u>
Family Shelter Program	9/1/2018 - 8/31/2019	\$ 35,000	\$ 35,000	\$ -
Family Shelter Program	9/1/2019 - 8/31/2020	35,000	11,667	23,333
Family Shelter Program	7/1/2018 - 6/30/2019	40,000	40,000	-
Family Shelter Program	7/1/2019 - 6/30/2020	42,625	21,313	21,312
Nebraska Homeless Assistance Program	9/1/2018 - 8/31/2019	67,140	67,140	-
Nebraska Homeless Assistance Program	9/1/2019 - 8/31/2020	62,973	20,991	41,982
United Way	7/1/2018 - 6/30/2019	10,000	10,000	-
United Way	7/1/2019 - 6/30/2020	10,000	5,000	5,000
		<u>\$ 302,738</u>	<u>\$ 211,111</u>	<u>\$ 91,627</u>

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 5: Inventory**

Inventory at December 31 consisted of the following:

<b>Category</b>	<b>Unit Value Range</b>	<b>2019</b>	<b>2018</b>
Clothing	\$5.00 - \$7.00 per item	\$ 67,441	\$ 132,061
Household items	\$5.00 - \$45.00 per item	30,867	42,123
Meat	\$1.75 - \$6.00 per lb.	53,034	20,608
Other food	\$1.75 per lb.	76,088	110,203
Pharmacy and medical supplies	Variable	56,881	78,134
Miscellaneous	Variable	8,072	8,072
		<u>\$ 292,383</u>	<u>\$ 391,201</u>

**Note 6: Investments and Investment Return**

Investments at December 31 consisted of the following:

	<b>2019</b>	<b>2018</b>
Equity securities		
Information technology	\$ 5,286	\$ -
	<u>\$ 5,286</u>	<u>\$ -</u>

Total investment return is comprised of the following:

	<b>2019</b>	<b>2018</b>
Interest and dividend income	\$ 763	\$ 10,091
Net realized and unrealized gains	256	13,821
Net gain (loss) on beneficial interest in perpetual and remainder trusts	24,138	(18,836)
	<u>\$ 25,157</u>	<u>\$ 5,076</u>

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 7: Investment in Curtis Center Housing, L.P.**

***Ownership Interest***

PCM Housing Corporation is a general partner and has a 0.01% ownership interest in Curtis Center Housing, L.P (CCH). The financial position and results of operations for the years ended December 31, 2019 and 2018, are as follows:

	<u><b>2019</b></u>	<u><b>2018</b></u>
Cash	\$ 244,228	\$ 214,241
Other assets	35,129	13,483
Property and equipment, net	<u>1,815,769</u>	<u>1,965,801</u>
Total assets	<u><u>\$ 2,095,126</u></u>	<u><u>\$ 2,193,525</u></u>
Current liabilities	\$ 154,926	\$ 89,985
Mortgage notes and loans payable	<u>556,374</u>	<u>517,558</u>
Total liabilities	711,300	607,543
Partners' equity, net	<u>1,383,826</u>	<u>1,585,982</u>
Total liabilities and partners' equity	<u><u>\$ 2,095,126</u></u>	<u><u>\$ 2,193,525</u></u>
Net rental revenue	<u>\$ 269,792</u>	<u>\$ 282,556</u>
Net loss	<u><u>\$ 202,156</u></u>	<u><u>\$ 193,739</u></u>

PCM Housing Corporation is entitled to a management fee per the Incentive Management Fee Agreement. However, this is only paid if there are available cash flows. No amounts were paid in 2019 or 2018.

The Center was constructed on land owned by The People's City Mission Home and a ground lease was signed between the Home (landlord) and CCH (tenant). This is a 65-year lease ending October 2071. The rent is \$1 per year.

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 7: Investment in Curtis Center Housing, L.P. - Continued**

**Guarantees**

CCH was formed for the purpose of acquiring, constructing, financing, operating, managing and leasing an apartment complex located on land owned by The People's City Mission Home. PCM Housing Corporation is the General Partner in CCH.

Under the Partnership Agreement, PCM Housing Corporation is responsible for the overall management and control of the Partnership. During the 15-year compliance period, PCM Housing Corporation is responsible for ensuring that the apartment complex is operated as a low-income housing project, which includes monitoring compliance with rent levels, income certifications and other low-income housing requirements, including related reporting requirements.

PCM Housing Corporation and The People's City Mission Home entered into a guaranty agreement on May 1, 2007, with the limited partner investor in which they agreed to perform the following obligations:

- 1) Carry out its management duties
- 2) Advance all funds necessary to pay any operating deficits
- 3) Guarantee against reduced tax benefits
- 4) Purchase the interest of the investor limited partner if the apartment complex is condemned, subjected to a taking or otherwise damaged or destroyed as a result of any exceptions to title insurance coverage

If PCM Housing Corporation fails to perform the above obligations, it may be subjected to removal as general partner or be obligated for damages. Additionally, the Limited Partner has certain rights and abilities under the Partnership Agreement, including the right to veto or override decisions of the General Partner.

**Note 8: Property and Equipment**

Property and equipment at December 31 consists of:

	<b>2019</b>	<b>2018</b>
Land	\$ 506,752	\$ 506,752
Buildings and improvements	4,174,794	4,164,488
Furniture and equipment	1,085,363	1,054,277
Vehicles	101,351	99,551
	<u>5,868,260</u>	<u>5,825,068</u>
Less accumulated depreciation	<u>(3,586,530)</u>	<u>(3,386,477)</u>
	<u><u>\$ 2,281,730</u></u>	<u><u>\$ 2,438,591</u></u>



**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 9: Long-term Debt**

	<b>2019</b>	<b>2018</b>
Note payable (A)	\$ 70,625	\$ 78,125
Note payable (B)	642,786	676,269
Capital lease obligations (C)	1,820	5,187
Note payable (D)	2,757	18,795
Note payable (E)	4,671	8,471
Note payable (F)	2,874	7,009
	<b>\$ 725,533</b>	<b>\$ 793,856</b>

- (A) Interest-free note payable to a local municipality; due July 1, 2029; payable in monthly installments of \$625; secured by a deed of trust.
- (B) Note payable to a bank; due March 2, 2023; payable in monthly installments of \$5,544, including interest at 4.95%; secured by a deed of trust on the Organization's property, a commercial security agreement covering all business assets and the Foundation's investments.
- (C) Capital leases include leases covering equipment for three years expiring in June 2020.
- (D) Note payable to a bank; due February 29, 2020; payable in monthly installments of \$1,385, including interest at 5.00%; secured by a deed of trust on the Organization's property, a commercial security agreement covering all business assets, the Foundation's investments and a vehicle.
- (E) Note payable to a lessor; due December 1, 2020; payable in monthly installments of \$368, including interest at 5.00%; secured by the related leasehold improvements.
- (F) Note payable to a bank; due August 24, 2020; payable in monthly installments of \$366, including interest at 5.00%; secured by a deed of trust on the Organization's property, a commercial security agreement covering all business assets, the Foundation's investments and a vehicle.

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 9: Long-term Debt - Continued**

Aggregate annual maturities of long-term debt and payments on capital lease obligations at December 31, 2019, are:

2020	\$ 54,604
2021	44,370
2022	46,264
2023	539,670
2024	7,500
Thereafter	<u>33,125</u>
	<u><u>\$ 725,533</u></u>

Property and equipment include the following under capital leases at December 31:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 27,700	\$ 27,700
Less accumulated depreciation	<u>17,179</u>	<u>13,221</u>
	<u><u>\$ 10,521</u></u>	<u><u>\$ 14,479</u></u>

**Note 10: Net Assets With Donor Restrictions**

Net assets with donor restrictions at December 31 are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Perpetual in nature	<u>\$ 58,449</u>	<u>\$ 53,260</u>
Time-restricted for future periods		
Beneficial interest in remainder trust	52,090	44,649
United Way annual allocation	5,000	5,000
Subject to the passage of time	105,105	93,596
Promises to give that are not restricted by donors but which are unavailable for expenditure until received	<u>-</u>	<u>507,604</u>
	<u>162,195</u>	<u>650,849</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 220,644</u></u>	<u><u>\$ 704,109</u></u>

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 10: Net Assets With Donor Restrictions - Continued**

***Net Assets Released from Restrictions***

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<b>2019</b>	<b>2018</b>
Purpose restrictions accomplished	\$ 15,000	\$ 10,000
Expiration of time restrictions	542,936	13,895
	<b>\$ 557,936</b>	<b>\$ 23,895</b>

**Note 11: Operating Leases**

Noncancellable operating leases for distribution facilities and office equipment expire in various years through 2030. The distribution facilities lease contains one seven-year renewal option. The lease requires the Organization to pay all executory costs (property taxes, maintenance and insurance).

Future minimum lease payments at December 31, 2019, were:

2020	\$ 231,591
2021	219,980
2022	207,516
2023	201,210
2024	205,638
Thereafter	1,534,254
Total	<b>\$ 2,600,189</b>

Rental expense for all operating leases was \$256,696 and \$223,331 for the years ended December 31, 2019 and 2018, respectively.

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 12: Pension Plan**

The Organization has a defined contribution pension plan covering substantially all employees. Prior to 2019, the Board of Directors determined the amount of the Organization contributions to the plan for all employees. Beginning in 2019, the Organization provides up to a 5% matching contribution for employees making voluntary contributions to the plan. Pension expense was \$32,485 and \$69,542 for 2019 and 2018, respectively.

**Note 13: Disclosures About Fair Value of Assets and Liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 13: Disclosures About Fair Value of Assets and Liabilities - Continued**

***Recurring Measurements***

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2019 and 2018:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>2019</b>				
Equity securities				
Information technology	\$ 5,286	\$ 5,286	\$ -	\$ -
Beneficial interest in remainder trusts	132,318	-	132,318	-
Beneficial interest in perpetual trusts	58,449	-	-	58,449
<b>2018</b>				
Beneficial interest in remainder trusts	\$ 113,369	\$ -	\$ 113,369	\$ -
Beneficial interest in perpetual trusts	53,260	-	-	53,260

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 13: Disclosures About Fair Value of Assets and Liabilities - Continued**

Following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2019. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics or independent pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

***Beneficial Interest in Perpetual and Remainder Trusts***

Fair value of beneficial interest in remainder trusts is estimated at the present value of the future distributions expected to be received over the term or upon termination of the agreements. Due to the nature of the valuation inputs, the beneficial interest in remainder trusts are classified within Level 2 of the hierarchy.

Fair value of beneficial interest in perpetual trusts is measured using the fair value of the assets held in trust. Income earned on trust assets is distributed to the Organization annually or semi-annually, as provided in the agreements. Since the Organization will never receive the assets held in trust, the beneficial interest in perpetual trusts are classified within Level 3 of the hierarchy.

***Level 3 Valuation Process***

Fair value determinations for Level 3 measurements are the responsibility of the Director of Accounting's office. The Director of Accounting's office obtains confirmations and, where possible, statements from the trustees. The Director of Accounting's office reviews these confirmations and statements for reasonableness.

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 13: Disclosures About Fair Value of Assets and Liabilities - Continued**

***Level 3 Reconciliation***

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of financial position using significant unobservable (Level 3) inputs:

	<b>Beneficial Interest in Perpetual Trusts</b>
Balance, January 1, 2018	\$ 59,844
Change in beneficial interest in perpetual trusts	(6,584)
Balance, December 31, 2018	53,260
Change in beneficial interest in perpetual trusts	5,189
Balance, December 31, 2019	\$ 58,449

Change in beneficial interest in perpetual trusts is included in investment return in the statements of activities.

**Note 14: Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 and 2018, comprise the following:

	<b>2019</b>	<b>2018</b>
Total financial assets	\$ 1,026,277	\$ 729,123
Donor imposed restrictions		
Time-restricted for future periods	29,876	29,876
Financial assets available to meet cash needs for general expenditure within one year	\$ 996,401	\$ 699,247

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and other obligations come due. During the years ended December 31, 2019 and 2018, the level of liquidity was managed within the policy requirements.

**People's City Mission**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019 and 2018**

**Note 15: Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

***Investments***

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated statements of financial position.

***In-Kind Contributions***

As discussed in Note 1, in-kind contributions, such as clothing, furniture, toys and household items, are valued at the average market price obtained from local thrift stores. Food is grouped into categories and is valued at the average price per pound obtained from local groceries within each respective category. Pharmaceuticals are valued at the average market price obtained from local pharmacies. Management believes these values are a reasonable estimate of the fair value of the goods received.

***Medical Malpractice***

PCM Medical Clinic (the "Clinic") purchases medical malpractice insurance under a claims-made (or occurrence basis) policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require the Clinic to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Clinic's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

**Note 16: Subsequent Events**

On March 27, 2020, President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act*. On April 14, 2020, the Organization received a loan in the amount of \$375,000 pursuant to the Paycheck Protection Program. The Organization anticipates using all of the proceeds to make eligible payments and, therefore, expects substantially all of the loan will be forgiven.

Subsequent events have been evaluated through August 20, 2020, which is the date the financial statements were available to be issued.



## **Other Information**

**People's City Mission**  
**Consolidating Schedule of Financial Position**  
**December 31, 2019**

	PCM Home	PCM Foundation	PCM Housing	PCM Medical Clinic	Eliminations	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 660,588	\$ 335,786	\$ -	\$ 24,617	\$ -	\$ 1,020,991
Bequests and other receivables	498,912	-	-	-	(379,856)	119,056
Grant reimbursements receivable	89,234	-	-	-	-	89,234
Inventories	235,502	-	-	56,881	-	292,383
Prepaid expenses	22,294	-	-	-	-	22,294
Investments	-	5,286	-	-	-	5,286
Investment in Curtis Center Housing, LP	-	-	97,626	-	-	97,626
Beneficial interest in perpetual and remainder trusts	110,538	80,229	-	-	-	190,767
Other	110,664	-	-	-	-	110,664
Property and equipment, net of accumulated depreciation of \$3,586,530	2,281,730	-	-	-	-	2,281,730
Total assets	<u>\$ 4,009,462</u>	<u>\$ 421,301</u>	<u>\$ 97,626</u>	<u>\$ 81,498</u>	<u>\$ (379,856)</u>	<u>\$ 4,230,031</u>
<b>Liabilities</b>						
Accounts payable	\$ 164,666	\$ 729	\$ -	\$ 380,672	\$ (379,856)	\$ 166,211
Accrued expenses	199,369	-	-	-	-	199,369
Long-term debt	725,533	-	-	-	-	725,533
Total liabilities	<u>1,089,568</u>	<u>729</u>	<u>-</u>	<u>380,672</u>	<u>(379,856)</u>	<u>1,091,113</u>
<b>Net Assets</b>						
Without donor restrictions	2,804,355	315,467	97,626	(299,174)	-	2,918,274
With donor restrictions	115,539	105,105	-	-	-	220,644
Total net assets	<u>2,919,894</u>	<u>420,572</u>	<u>97,626</u>	<u>(299,174)</u>	<u>-</u>	<u>3,138,918</u>
Total liabilities and net assets	<u>\$ 4,009,462</u>	<u>\$ 421,301</u>	<u>\$ 97,626</u>	<u>\$ 81,498</u>	<u>\$ (379,856)</u>	<u>\$ 4,230,031</u>

**People's City Mission**  
**Consolidating Schedule of Financial Position**  
**December 31, 2018**

	PCM Home	PCM Foundation	PCM Housing	PCM Medical Clinic	Eliminations	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 682,894	\$ 38,007	\$ -	\$ 8,222	\$ -	\$ 729,123
Bequests and other receivables	473,057	450,448	-	-	(367,889)	555,616
Grant reimbursements receivable	131,106	-	-	-	-	131,106
Inventories	313,067	-	-	78,134	-	391,201
Prepaid expenses	20,500	-	-	3,087	-	23,587
Investment in Curtis Center Housing, LP	-	-	97,645	-	-	97,645
Beneficial interest in perpetual and remainder trusts	97,909	68,720	-	-	-	166,629
Other	113,095	-	-	-	-	113,095
Property and equipment, net of accumulated depreciation of \$3,386,477	2,438,591	-	-	-	-	2,438,591
Total assets	<u>\$ 4,270,219</u>	<u>\$ 557,175</u>	<u>\$ 97,645</u>	<u>\$ 89,443</u>	<u>\$ (367,889)</u>	<u>\$ 4,646,593</u>
<b>Liabilities</b>						
Accounts payable	\$ 170,228	\$ -	\$ -	\$ 368,961	\$ (367,889)	\$ 171,300
Accrued expenses	183,142	-	-	-	-	183,142
Long-term debt	793,856	-	-	-	-	793,856
Total liabilities	<u>1,147,226</u>	<u>-</u>	<u>-</u>	<u>368,961</u>	<u>(367,889)</u>	<u>1,148,298</u>
<b>Net Assets</b>						
Without donor restrictions	2,962,480	13,579	97,645	(279,518)	-	2,794,186
With donor restrictions	160,513	543,596	-	-	-	704,109
Total net assets	<u>3,122,993</u>	<u>557,175</u>	<u>97,645</u>	<u>(279,518)</u>	<u>-</u>	<u>3,498,295</u>
Total liabilities and net assets	<u>\$ 4,270,219</u>	<u>\$ 557,175</u>	<u>\$ 97,645</u>	<u>\$ 89,443</u>	<u>\$ (367,889)</u>	<u>\$ 4,646,593</u>

**People's City Mission**  
**Consolidating Schedule of Activities**  
**Year Ended December 31, 2019**

	PCM Home	PCM Foundation	PCM Housing	PCM Medical Clinic	Eliminations	Total
<b>Revenues, Gains and Other Support</b>						
Contributions	\$ 2,037,614	\$ 53,291	\$ -	\$ 19,603	\$ -	\$ 2,110,508
In-kind contributions	9,208,345	-	-	138,104	-	9,346,449
Probation housing revenue	724,330	-	-	-	-	724,330
Grants	317,208	-	-	20,000	-	337,208
Clothing recycling	752,209	-	-	-	-	752,209
Other	159,362	-	(19)	-	-	159,343
Grants from interrelated organizations	196,050	-	-	-	(196,050)	-
Total revenues, gains and other support	<u>13,395,118</u>	<u>53,291</u>	<u>(19)</u>	<u>177,707</u>	<u>(196,050)</u>	<u>13,430,047</u>
<b>Expenses and Losses</b>						
Men's Shelter	602,745	-	-	-	-	602,745
Family and Women's Shelter	766,189	-	-	-	-	766,189
Food Service	874,561	-	-	-	-	874,561
Help Center	9,510,363	-	-	-	-	9,510,363
Medical Clinic	-	-	-	197,363	-	197,363
Transitional	283,301	-	-	-	-	283,301
Recycling	405,848	-	-	-	-	405,848
Grants to interrelated organizations	-	196,050	-	-	(196,050)	-
Total program services	<u>12,443,007</u>	<u>196,050</u>	<u>-</u>	<u>197,363</u>	<u>(196,050)</u>	<u>12,640,370</u>
Management and general	664,133	6,372	-	-	-	670,505
Fund raising	503,706	-	-	-	-	503,706
Total expenses and losses	<u>13,610,846</u>	<u>202,422</u>	<u>-</u>	<u>197,363</u>	<u>(196,050)</u>	<u>13,814,581</u>
<b>Operating Loss</b>	(215,728)	(149,131)	(19)	(19,656)	-	(384,534)
<b>Nonoperating - Investment Return</b>	<u>12,629</u>	<u>12,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,157</u>
<b>Change in Net Assets</b>	(203,099)	(136,603)	(19)	(19,656)	-	(359,377)
<b>Net Assets, Beginning of Year</b>	<u>3,122,993</u>	<u>557,175</u>	<u>97,645</u>	<u>(279,518)</u>	<u>-</u>	<u>3,498,295</u>
<b>Net Assets, End of Year</b>	<u>\$ 2,919,894</u>	<u>\$ 420,572</u>	<u>\$ 97,626</u>	<u>\$ (299,174)</u>	<u>\$ -</u>	<u>\$ 3,138,918</u>

**People's City Mission**  
**Consolidating Schedule of Activities**  
**Year Ended December 31, 2018**

	PCM Home	PCM Foundation	PCM Housing	PCM Medical Clinic	Eliminations	Total
<b>Revenues, Gains and Other Support</b>						
Contributions	\$ 2,074,831	\$ 487,521	\$ -	\$ 40,183	\$ -	\$ 2,602,535
In-kind contributions	8,198,117	-	-	381,514	-	8,579,631
Probation housing revenue	779,580	-	-	-	-	779,580
Grants	279,756	-	-	4	-	279,760
Clothing recycling	718,948	-	-	-	-	718,948
Other	168,738	-	(34)	-	-	168,704
Grants from interrelated organizations	1,061,408	-	-	-	(1,061,408)	-
Total revenues, gains and other support	<u>13,281,378</u>	<u>487,521</u>	<u>(34)</u>	<u>421,701</u>	<u>(1,061,408)</u>	<u>13,129,158</u>
<b>Expenses and Losses</b>						
Men's Shelter	593,789	-	-	-	-	593,789
Family and Women's Shelter	704,496	-	-	-	-	704,496
Food Service	891,791	-	-	-	-	891,791
Help Center	8,273,010	-	-	-	-	8,273,010
Medical Clinic	-	-	-	754,561	-	754,561
Transitional	316,945	-	-	-	-	316,945
Recycling	443,344	-	-	-	-	443,344
Grants to interrelated organizations	-	1,061,408	-	-	(1,061,408)	-
Total program services	<u>11,223,375</u>	<u>1,061,408</u>	<u>-</u>	<u>754,561</u>	<u>(1,061,408)</u>	<u>11,977,936</u>
Management and general	573,658	14,687	-	-	-	588,345
Fund raising	515,189	-	-	-	-	515,189
Total expenses and losses	<u>12,312,222</u>	<u>1,076,095</u>	<u>-</u>	<u>754,561</u>	<u>(1,061,408)</u>	<u>13,081,470</u>
<b>Operating Income (Loss)</b>	969,156	(588,574)	(34)	(332,860)	-	47,688
<b>Nonoperating - Investment Return (Loss)</b>	(11,210)	16,286	-	-	-	5,076
<b>Change in Net Assets</b>	957,946	(572,288)	(34)	(332,860)	-	52,764
<b>Net Assets, Beginning of Year</b>	<u>2,165,047</u>	<u>1,129,463</u>	<u>97,679</u>	<u>53,342</u>	<u>-</u>	<u>3,445,531</u>
<b>Net Assets, End of Year</b>	<u>\$ 3,122,993</u>	<u>\$ 557,175</u>	<u>\$ 97,645</u>	<u>\$ (279,518)</u>	<u>\$ -</u>	<u>\$ 3,498,295</u>