

City Union Mission, Inc.

Independent Auditor's Report and Financial Statements

September 30, 2021 and 2020



City Union Mission, Inc.
September 30, 2021 and 2020

Contents

Independent Auditor’s Report.....	1
 Financial Statements	
Statements of Financial Position	3
Statements of Activities.....	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8
 Supplementary Information	
Schedule of Contributed Services and Gifts-in-Kind	29
Schedules of Contributions.....	30

Independent Auditor's Report

Board of Directors
City Union Mission, Inc.
Kansas City, Missouri

We have audited the accompanying financial statements of City Union Mission, Inc., which comprise the statement of financial position as of September 30, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of City Union Mission, Inc. as of September 30, 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.

Prior Year Audited by Other Auditors

The 2020 financial statements, before they were revised for the matter discussed in *Note 1*, were audited by other auditors whose unmodified report on those statements thereon, dated March 12, 2021, included emphasis of matter paragraphs that described a change in accounting principle and error correction.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of contributed services and gifts-in-kind and the schedules of contributions listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BKD, LLP

Kansas City, Missouri
February 18, 2022

City Union Mission, Inc.
Statements of Financial Position
September 30, 2021 and 2020

Assets

	2021	2020
Cash and cash equivalents	\$ 4,667,249	\$ 3,653,877
Restricted cash and cash equivalents	340,663	224,850
Contributions receivable, net of allowance 2021 - \$0, 2020 - \$18,686	427,960	150,155
Other receivables	35,498	5,727
Inventories	1,062,434	1,218,330
Prepaid expenses and other assets	792,959	599,190
Beneficial interest in community foundation	77,790	85,681
Investments	20,034,947	17,167,444
Property and equipment, net of accumulated depreciation 2021 - \$17,098,503, 2020 - \$15,883,216	22,174,199	22,701,925
Total assets	\$ 49,613,699	\$ 45,807,179

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 111,545	\$ 179,388
Accrued expenses	579,762	451,144
Charitable gift annuities	6,673	9,294
Long-term debt	-	1,196,500
Total liabilities	697,980	1,836,326

Net Assets

Without donor restrictions	46,438,522	41,898,693
With donor restrictions	2,477,197	2,072,160
Total net assets	48,915,719	43,970,853
Total liabilities and net assets	\$ 49,613,699	\$ 45,807,179

City Union Mission, Inc.
Statements of Activities
Years Ended September 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Contributions	\$ 12,173,289	\$ 442,612	\$ 12,615,901	\$ 10,864,157	\$ 217,288	\$ 11,081,445
Contributed services and gifts-in-kind	7,910,359	-	7,910,359	11,127,468	-	11,127,468
Receiving center sales	6,113,001	-	6,113,001	4,503,150	-	4,503,150
Miscellaneous income	158,532	7,516	166,048	172,292	1,592	173,884
Forgiveness of long-term debt	1,196,500	-	1,196,500	-	-	-
Net investment return	1,487,787	115,926	1,603,713	284,809	26,464	311,273
Net assets released from restrictions	288,835	(288,835)	-	653,886	(653,886)	-
	<u>29,328,303</u>	<u>277,219</u>	<u>29,605,522</u>	<u>27,605,762</u>	<u>(408,542)</u>	<u>27,197,220</u>
Expenses and Losses						
Program Services						
Warehouse	1,136,761	-	1,136,761	1,146,870	-	1,146,870
Men's ministry	5,296,815	-	5,296,815	5,763,154	-	5,763,154
Farm and camp	1,333,064	-	1,333,064	962,502	-	962,502
Thrift stores	11,331,217	-	11,331,217	8,161,369	-	8,161,369
Family and youth ministries	3,103,277	-	3,103,277	3,297,368	-	3,297,368
	<u>22,201,134</u>	<u>-</u>	<u>22,201,134</u>	<u>19,331,263</u>	<u>-</u>	<u>19,331,263</u>
Support Services						
General and administrative	1,878,730	-	1,878,730	1,370,232	-	1,370,232
Fundraising	1,949,275	-	1,949,275	1,806,317	-	1,806,317
	<u>3,828,005</u>	<u>-</u>	<u>3,828,005</u>	<u>3,176,549</u>	<u>-</u>	<u>3,176,549</u>
	<u>26,029,139</u>	<u>-</u>	<u>26,029,139</u>	<u>22,507,812</u>	<u>-</u>	<u>22,507,812</u>
Other revenues						
Unrealized gains on investments	1,240,665	127,818	1,368,483	700,617	87,012	787,629
Change in Net Assets	4,539,829	405,037	4,944,866	5,798,567	(321,530)	5,477,037
Net Assets, Beginning of Year	41,898,693	2,072,160	43,970,853	36,100,126	2,393,690	38,493,816
Net Assets, End of Year	<u>\$ 46,438,522</u>	<u>\$ 2,477,197</u>	<u>\$ 48,915,719</u>	<u>\$ 41,898,693</u>	<u>\$ 2,072,160</u>	<u>\$ 43,970,853</u>

See Notes to Financial Statements

City Union Mission, Inc.
Statement of Functional Expenses
Year Ended September 30, 2021

	Program Services					Support Services				
	Warehouse	Men's Ministry	Farm and Camp	Thrift Stores	Family and Youth Ministries	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total
Salaries and payroll taxes	\$ 418,756	\$ 2,169,846	\$ 512,972	\$ 2,440,977	\$ 1,545,157	\$ 7,087,708	\$ 707,388	\$ 606,810	\$ 1,314,198	\$ 8,401,906
Fringe benefits	125,487	503,569	96,442	77,350	409,207	1,212,055	118,394	135,874	254,268	1,466,323
Contract services	-	81,586	7,000	106	33,501	122,193	39,500	61,786	101,286	223,479
Groceries	-	1,065,397	20,961	-	57,115	1,143,473	-	-	-	1,143,473
Promos, publications and postage	-	-	113	67,262	-	67,375	37,132	993,738	1,030,870	1,098,245
Clothing	18,336	15,021	3,717	154,024	123,286	314,384	-	-	-	314,384
Depreciation	150,338	783,418	335,492	128,885	182,200	1,580,333	66,839	-	66,839	1,647,172
Professional fees	-	11,896	-	651,355	24,300	687,551	510,412	4,727	515,139	1,202,690
Utilities	34,650	225,832	98,279	98,525	125,975	583,261	13,078	13,078	26,156	609,417
Furniture and household items	-	3,149	1,080	-	155,584	159,813	-	-	-	159,813
Miscellaneous expenses	5,151	13,843	14,638	140,432	37,221	211,285	373	93,674	94,047	305,332
Maintenance and repairs	20,584	54,994	50,582	52,856	31,376	210,392	129,806	-	129,806	340,198
Paper products and supplies	48,830	-	-	-	-	48,830	-	-	-	48,830
Operating and medical supplies	31,135	17,068	3,202	-	13,765	65,170	-	-	-	65,170
Small equipment purchases	70,196	84,286	59,027	12,427	38,212	264,148	74,238	1,107	75,345	339,493
Christmas and Thanksgiving expenses	32,638	4,812	247	-	109,883	147,580	-	-	-	147,580
Housekeeping supplies expenses	38,369	35,083	8,188	128,810	25,913	236,363	14,574	-	14,574	250,937
Property insurance	20,847	142,729	81,167	127,918	121,751	494,412	20,292	20,292	40,584	534,996
Office supplies	-	6,615	565	626	2,932	10,738	11,723	-	11,723	22,461
Travel - seminars and education	7,754	5,034	8,235	22,207	12,480	55,710	28,678	4,902	33,580	89,290
Spending allowance	-	17,048	2,587	-	1,911	21,546	-	-	-	21,546
Emergency relief	-	7,814	601	-	10,877	19,292	-	-	-	19,292
Building and equipment rental	33,605	25,069	4,342	820,632	17,045	900,693	9,526	-	9,526	910,219
Automobile expenses	72,014	-	10,880	17,887	508	101,289	-	-	-	101,289
Dues, subscriptions and fees	5,344	22,706	12,183	6,920	23,078	70,231	21,891	13,287	35,178	105,409
Taxes and licenses	2,727	-	564	32,230	-	35,521	773	-	773	36,294
Financial expenses	-	-	-	107,277	-	107,277	74,113	-	74,113	181,390
Cost of sales	-	-	-	6,242,511	-	6,242,511	-	-	-	6,242,511
Total expenses by function	\$ 1,136,761	\$ 5,296,815	\$ 1,333,064	\$ 11,331,217	\$ 3,103,277	\$ 22,201,134	\$ 1,878,730	\$ 1,949,275	\$ 3,828,005	\$ 26,029,139

City Union Mission, Inc.
Statement of Functional Expenses
Year Ended September 30, 2020

	Program Services						Support Services			Total
	Warehouse	Men's Ministry	Farm and Camp	Thrift Stores	Family and Youth Ministries	Total Program Services	General and Administrative	Fundraising	Total Support Services	
Salaries and payroll taxes	\$ 447,133	\$ 2,146,243	\$ 357,707	\$ 1,572,850	\$ 1,538,465	\$ 6,062,398	\$ 569,248	\$ 516,273	\$ 1,085,521	\$ 7,147,919
Fringe benefits	111,622	535,784	89,297	9,852	379,513	1,126,068	117,190	130,524	247,714	1,373,782
Contract services	-	40,797	-	-	24,917	65,714	38,501	51,236	89,737	155,451
Groceries	-	1,462,145	15,933	-	60,720	1,538,798	77	-	77	1,538,875
Promos, publications and postage	-	-	78	33,522	-	33,600	35,485	970,185	1,005,670	1,039,270
Clothing	16,813	13,219	3,938	192,667	143,008	369,645	-	-	-	369,645
Depreciation	144,972	803,752	213,772	131,178	179,955	1,473,629	58,553	-	58,553	1,532,182
Professional fees	98,250	22,050	430	385,045	118,580	624,355	245,411	4,610	250,021	874,376
Utilities	38,791	215,228	86,015	104,879	117,645	562,558	11,640	11,640	23,280	585,838
Furniture and household items	-	8,129	1,848	-	233,178	243,155	-	-	-	243,155
Miscellaneous expenses	11	17,219	15,555	60,230	108,301	201,316	7,956	95,782	103,738	305,054
Maintenance and repairs	10,331	101,409	32,667	67,709	28,740	240,856	51,059	-	51,059	291,915
Paper products and supplies	47,856	-	-	-	-	47,856	-	-	-	47,856
Operating and medical supplies	31,838	17,172	77	-	17,140	66,227	-	-	-	66,227
Small equipment purchases	39,675	52,667	32,396	5,539	26,123	156,400	94,079	2,379	96,458	252,858
Christmas and Thanksgiving expenses	29,701	5,232	712	-	114,394	150,039	-	-	-	150,039
Housekeeping supplies expenses	20,333	43,646	8,251	102,555	32,123	206,908	6,110	-	6,110	213,018
Property insurance	6,017	171,017	64,623	108,870	114,011	464,538	15,202	15,201	30,403	494,941
Office supplies	23	3,992	605	693	2,276	7,589	19,095	-	19,095	26,684
Travel - seminars and education	3,616	6,075	3,065	8,630	6,754	28,140	13,465	2,445	15,910	44,050
Spending allowance	-	22,863	3,251	-	1,400	27,514	-	-	-	27,514
Emergency relief	-	10,526	1,254	-	13,792	25,572	-	-	-	25,572
Building and equipment rental	11,849	44,954	3,758	721,674	18,169	800,404	7,518	-	7,518	807,922
Automobile expenses	83,572	-	12,976	10,377	120	107,045	-	-	-	107,045
Dues, subscriptions and fees	2,119	19,035	13,668	9,328	18,044	62,194	22,855	13,461	36,316	98,510
Taxes and licenses	2,348	-	626	-	-	2,974	3,754	-	3,754	6,728
Financial expenses	-	-	-	83,467	-	83,467	53,034	-	53,034	136,501
Cost of sales	-	-	-	4,552,304	-	4,552,304	-	-	-	4,552,304
Total expenses by function	1,146,870	5,763,154	962,502	8,161,369	3,297,368	19,331,263	1,370,232	1,813,736	3,183,968	22,515,231
Less expenses included with revenues on the statement of activities	-	-	-	-	-	-	-	7,419	7,419	7,419
Total expenses included in the expense section on the statement of activities	\$ 1,146,870	\$ 5,763,154	\$ 962,502	\$ 8,161,369	\$ 3,297,368	\$ 19,331,263	\$ 1,370,232	\$ 1,806,317	\$ 3,176,549	\$ 22,507,812

City Union Mission, Inc.
Statements of Cash Flows
Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Activities		
Change in net assets	\$ 4,944,866	\$ 5,477,037
Items not requiring (providing) cash		
Depreciation	1,647,172	1,532,182
Losses on sale of property, plant and equipment	30,026	-
Gain on forgiveness of long-term debt	(1,196,500)	-
Net realized and unrealized gains on investments	(2,739,358)	(788,359)
Change in interest in net assets of Foundation	7,891	(594)
Contributions and investment income received restricted for acquisition of long-lived assets	(253,635)	-
Contributions of long-lived assets	-	(3,990,000)
Changes in		
Accounts receivable	(29,771)	556
Inventories	155,896	68,813
Prepaid expenses and other assets	(193,769)	(320,865)
Contributions receivable	(277,805)	111,389
Accounts payable and accrued expenses	<u>101,310</u>	<u>(19,195)</u>
Net cash provided by operating activities	<u>2,196,323</u>	<u>2,070,964</u>
Investing Activities		
Purchase of property and equipment	(1,216,357)	(983,735)
Proceeds from disposition of property and equipment	26,350	-
Proceeds from disposition of investments	4,518,533	560,937
Purchases of investments	<u>(4,646,678)</u>	<u>(1,033,224)</u>
Net cash used in investing activities	<u>(1,318,152)</u>	<u>(1,456,022)</u>
Financing Activities		
Proceeds from contributions and investment income restricted for acquisition of long-lived assets	253,635	-
Proceeds from issuance of long-term debt and notes payable	-	1,196,500
Payments on annuities and trusts payable	<u>(2,621)</u>	<u>(2,950)</u>
Net cash provided by financing activities	<u>251,014</u>	<u>1,193,550</u>
Increase in Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents	1,129,185	1,808,492
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, Beginning of Year	<u>3,878,727</u>	<u>2,070,235</u>
Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, End of Year	<u>\$ 5,007,912</u>	<u>\$ 3,878,727</u>
Supplemental Cash Flows Information		
Property and equipment acquired through noncash contributions	\$ -	\$ 3,990,000
Property and equipment in accounts payable	-	40,535

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

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

Nature of Operations

City Union Mission, Inc. (the Mission) was formed in 1924 as a nonprofit mission in the state of Missouri. The Mission's principal activity is to provide a Christian ministry to men, women and children who are destitute and homeless. The Mission provides food, clothing, shelter, education, counseling and sharing of the gospel message to the people it serves. The donor base of the Mission consists primarily of residents and businesses in the greater Kansas City area.

The primary programs and activities of the Mission include:

Warehouse

This is the food warehouse and transportation department of the Mission. Purchased and donated food items are processed for distribution to programs throughout the Mission. The transportation department transports the items and clients around the Mission.

Men's Ministry

The Mission provides overnight shelter, housing and meals to approximately 300 men each night. The Christian Life Program offers counseling and job skill training in a long-term, live-in setting for up to 100 men at a time.

Farm and Camp

Located in the Ozark hills near Warsaw, Missouri, the Farm provides a place where men can get away from the pressure of Kansas City streets. Between 10 and 15 men live at Opportunity Farm year-round. There, simple living is characterized by bunkhouses, wood burning stoves, a comfortable lodge for fellowship and meals and 600 acres for working, walking and meditation. During the fall, winter and spring months, the men maintain the farm and campgrounds, assisted by the professional skills of the staff.

Camp CUMCITO is a summer camp for children and youth who are poor and/or homeless. Each July, nearly 500 children, ages 4-16, spend a week at the camp located near Warsaw, Missouri.

Thrift Stores

The Mission operates four community thrift stores that serve the underprivileged populations of Kansas City with renovated clothing and home furnishings that have been donated. A significant portion of the materials distributed by the stores are sold at a reduced cost as a part of the Mission's outreach program. The Mission has contracted with a professional management company to oversee and develop its thrift store operations, including providing day-to-day management of the stores and collection operations. The Mission's Christian Life Program clients work at the stores as part of their work therapy. The Mission also distributes clothing and household items to clients through the thrift stores.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Family and Youth Ministries

The Family and Youth Center houses the emergency homeless shelter for overnight guests, including families and single women. The shelter can accommodate up to 114 clients. The Youth Center department ministers to school age youth in the community, provides shelter and the long-term recovery program. Community assistance is provided through the Youth Center which includes utility assistance, food, clothing, furniture and school supplies. Clients can enter the nine to 18 months New Life Program that teaches life and parenting skills, work therapy and counseling. The New Life Program typically has 20 to 30 participants at a time. The Hotline for the Homeless operates out of the Family and Youth Center. Men, women and families call the Hotline to find out which Kansas City shelters can provide temporary shelter for the night.

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 and Cash Equivalents and Restricted Cash and Cash Equivalents

The Mission considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts, are not considered to be cash and cash equivalents. At September 30, 2021 and 2020, cash equivalents consisted primarily of money market accounts with brokers.

Restricted cash and cash equivalents represents cash restricted for long-term purposes (*e.g.*, acquisition of property and equipment). These amounts are restricted and not available for current operations.

At September 30, 2021, the Mission's cash accounts exceeded federally insured limits by approximately \$4,511,000.

Inventories

Warehouse inventories consist of donated cleaning supplies, food, hygiene items and other miscellaneous donated goods. The value of the warehouse inventory is determined by using the average price for similar categories of products at the end of the year.

Thrift store inventories consist of donated used clothing, hard goods, furniture and other miscellaneous donated goods. Inventory is estimated based on the subsequent sales of goods and an estimated turnover ratio, which approximates fair value.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Investments and Net Investment Return

The Mission measures securities, other than investments that qualify for the equity method of accounting, at fair value.

Investment return includes dividend, interest and realized and unrealized gains and losses on investments carried at fair value, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Property and Equipment

Property and equipment acquisitions over \$2,500 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

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

Building and improvements	5 - 40 years
Equipment	3 - 10 years

Long-Lived Asset Impairment

The Mission 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 are 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 September 30, 2021 and 2020.

Net Assets

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

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor or certain grantor restrictions, net assets for an operating reserve.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Net assets with donor restrictions are subject to donor or certain grantor 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 or grantor stipulates that resources be maintained in perpetuity.

Receiving Center Sales Revenue

Revenue from receiving center sales is recognized as the Mission satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Mission expects to be entitled in exchange for providing goods. The Mission determines the transaction price based on standard charges for goods provided, reduced by implicit and explicit price concessions. The Mission determines its estimates of implicit and explicit price concessions based upon its discount policies and historical experience. The estimated amounts also include variable consideration for product discounts and returns.

Contributions

Contributions are provided to the Mission either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Mission overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

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 statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

All contributions receivable were due within one year as of September 30, 2021 and 2020.

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. A substantial number of unpaid volunteers have made significant contributions of their time to the Mission's programs. The value of these contributed services has not been reflected in these financial statements since it is not subject to objective measurement or valuation.

In-kind Contributions

In addition to receiving cash contributions, the Mission receives in-kind contributions of food, clothing, household items, medical supplies and miscellaneous items from various donors. It is the policy of the Mission to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by the same amount. For the years ended September 30, 2021 and 2020, \$7,910,359 and \$11,127,468, respectively, was received in in-kind contributions.

Income Taxes

The Mission is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Mission is subject to federal income tax on any unrelated business taxable income.

The Mission files tax returns in the U.S. federal jurisdiction.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

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, general and administrative and fundraising categories based on estimated time expended, usage and other methods.

Reclassifications

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 financial statement presentation. These reclassifications had no effect on the change in net assets.

Revisions

Certain immaterial revisions have been made to the 2020 financial statements to correct the presentation of certain receivables, investments, prepaid expenses and property and equipment and their associated cash flows. These revisions did not have a significant impact on the financial statement line items impacted.

Note 2: Inventories

Inventories consist of the following at September 30:

	2021	2020
Warehouse	\$ 279,146	\$ 324,499
Thrift store	783,288	893,831
	\$ 1,062,434	\$ 1,218,330

Note 3: Beneficial Interest in Trust

The Mission is the beneficiary under various trusts administered by a bank. The assets of these trusts are not included in the statements of financial position of the Mission since the trusts are revocable at the discretion of the grantor.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Note 4: Interest in Assets at Community Foundation

The Mission has transferred assets to the National Christian Foundation (the Foundation) and retained a beneficial interest in those assets. The investment earnings are available to be distributed to the Mission, upon request, for approved uses. The Mission has granted variance power to the Foundation which gives the Foundation's board the power to use the funds for other purposes in certain circumstances.

The fair value of the retained beneficial interest included in the statements of financial position were \$77,790 and \$85,681 at September 30, 2021 and 2020, respectively.

Note 5: Property and Equipment

Property and equipment at September 30, 2021 and 2020 consists of:

	2021	2020
Land and land improvements	\$ 861,476	\$ 836,901
Buildings and leasehold improvements	35,163,244	33,979,212
Store and transportation equipment	803,549	767,445
Furniture and fixtures	2,440,989	2,510,533
Construction in progress	3,444	491,050
	<u>39,272,702</u>	<u>38,585,141</u>
Less accumulated depreciation and amortization	<u>17,098,503</u>	<u>15,883,216</u>
	<u>\$ 22,174,199</u>	<u>\$ 22,701,925</u>

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Note 6: Cloud Computing Arrangement

In May 2020, the Mission entered into a five-year cloud computing arrangement (CCA) that is considered a service contract. The value of the contract was paid upfront and is presented as a prepaid asset within the statements of financial position. Certain implementation costs associated with the CCA for \$209,578 and \$85,033 as of September 30, 2021 and 2020, respectively, have also been capitalized and are included as a prepaid asset within the statements of financial position. No amortization was taken during the years ended September 30, 2021 and 2020 on the implementation costs as the software was not yet ready for its intended use.

Note 7: Long-Term Debt

In April 2020, the Mission was granted a Paycheck Protection Program (PPP) loan through the Small Business Administration established by the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) signed into federal law on April 23, 2020 facilitated through Commerce Bank, totaling \$1,196,500 to fund payroll, rent, utilities and interest on mortgages and existing debt. The loan matures in two years and is payable monthly including 1.00 percent interest beginning after the applicable deferral period. The payment deferral period is defined as either a) if a forgiveness application is submitted, the date of notice from the SBA if the loan is forgiven or not entitled to forgiveness or b) if no forgiveness application is submitted, 10 months after the end of the covered period.

The loan was forgiven in August 2021 for \$1,196,500 and recognized as other income in the financial statements. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to any income recognized.

Note 8: Operating Leases

Noncancellable operating leases for office space and equipment expire in various years through 2031. These leases generally contain renewal options for five year periods and require the Mission to pay all executory costs (property taxes, maintenance and insurance).

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Future minimum lease payments at September 30, 2021, were:

2022	\$ 668,756
2023	625,078
2024	581,018
2025	489,810
2026	248,493
Thereafter	<u>951,095</u>
	<u>\$ 3,564,250</u>

Rental expense for all operating leases was \$489,860 and \$411,748 for the years ended September 30, 2021 and 2020, respectively.

Note 9: Revenue from Contracts with Customers

Transaction Price and Recognition

Receiving center sales revenue is measured as the amount of consideration the Mission expects to receive in exchange for transferring distinct goods to customers. Sales to the public revenues consist substantially of product sales and is reported net of sales discounts offered to customers, if any, and returns. The Mission determines its estimates for discounts and returns based upon its discount policies and historical experience. The Mission 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. This typically occurs when a customer obtains legal title, obtains the risks and rewards of ownership, has received the goods at the point of sale or according to the contractual shipping terms either at the shipping point or destination and is obligated to pay for the product. Payment is due at the time of purchase and the Mission offers a 7-day return policy in which customers may return purchased goods for in-store credit.

All of the Mission's receiving center sales are recognized at a point in time. The Mission has determined the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Type of product sold
- Geography of service location

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Note 10: Defined Contribution Plan

The Mission has a defined contribution pension plan for all employees who have obtained the age of 21 and have completed one year of service. The Mission may make discretionary matching and other contributions to the plan. For the years ended September 30, 2021 and 2020, the Mission matched 75 percent of employee contributions, not to exceed 4 percent of employee wages. Pension expense were \$74,924 and \$76,445 for the years ended September 30, 2021 and 2020, respectively.

Note 11: Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions at September 30 are restricted for the following purposes or periods:

	2021	2020
Subject to expenditure for specified purpose		
Capital project	\$ 391,048	\$ 249,310
Bikers fund - assistance to mission program families and men	54,891	30,359
Car ministry	57,452	40,000
Vo-Tech	42,625	-
Miscellaneous	90,248	144,995
	636,264	464,664
Endowments		
Subject to NFP endowment spending policy and appropriation		
General use	1,763,143	1,521,815
Not subject to spending policy or appropriation		
Beneficial interest in assets held by Community Foundation	77,790	85,681
	\$ 2,477,197	\$ 2,072,160

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Net Assets Without Donor Restrictions

Net assets without donor restrictions at September 30 have been designated for the following purposes:

	2021	2020
Undesignated	\$ 26,981,235	\$ 25,727,657
Designated by the Board for operating reserve	19,457,287	16,171,036
Net assets without donor restrictions	\$ 46,438,522	\$ 41,898,693

Note 12: Endowment

The Mission’s governing body is subject to the *State of Missouri Prudent Management of Institutional Funds Act* (UPMIFA). As a result, the Mission classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures.

Additionally, in accordance with UPMIFA, the Mission considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Mission and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Mission
7. Investment policies of the Mission

The Mission’s endowment consists of one individual fund established to support the Mission’s greatest need each year. The endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

The composition of net assets by type of endowment fund at September 30, 2021 and 2020, was:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 1,261,531	\$ 1,261,531
Accumulated investment gains	-	501,612	501,612
Total endowment funds	\$ -	\$ 1,763,143	\$ 1,763,143
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 1,261,531	\$ 1,261,531
Accumulated investment gains	-	260,284	260,284
Total endowment funds	\$ -	\$ 1,521,815	\$ 1,521,815

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Change in endowment net assets for the years ended September 30, 2021 and 2020 were:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 1,521,815	\$ 1,521,815
Investment return, net	-	241,328	241,328
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,763,143</u>	<u>\$ 1,763,143</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 1,408,933	\$ 1,408,933
Investment return, net	-	112,882	112,882
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,521,815</u>	<u>\$ 1,521,815</u>

Investment and Spending Policies

The Mission has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Under the Mission’s policies, endowment assets are invested in a manner that is intended to maximize return within reasonable and prudent levels of risk; provide returns comparable to similar investment options; provide exposure to a wide range of investment opportunities in various asset classes and control administrative and management costs.

To satisfy its long-term rate of return objectives, the Mission relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Mission targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Mission has a spending calculation and is authorized at the written direction of the board.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Note 13: Liquidity and Availability

The Mission regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Mission has various sources of liquidity at its disposal, including cash and cash equivalents, investments, accounts receivable and contributions receivable. In addition to financial assets available to meet general expenditures over the next 12 months, the Mission anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statements of cash flows which identify the sources and uses of the Mission's cash.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2021 and 2020, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 4,667,249	\$ 3,653,877
Restricted cash and cash equivalents	340,663	224,850
Contributions receivable, net	427,960	150,155
Accounts receivable, net	35,498	5,727
Investments	<u>20,034,947</u>	<u>17,167,444</u>
 Total financial assets	 25,506,317	 21,202,053
 Donor-imposed restrictions		
Restricted funds	636,264	464,664
Endowments	<u>1,763,143</u>	<u>1,521,815</u>
Net financial assets after donor imposed restrictions	<u>23,106,910</u>	<u>19,215,574</u>
 Internal designations		
Operating reserve	<u>19,457,287</u>	<u>16,171,036</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 3,649,623</u>	 <u>\$ 3,044,538</u>

The Mission's endowment funds consist of a donor-restricted endowment. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Although the Mission does not intend to spend from the board-designated operating reserve, these amounts could be made available if necessary.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Note 14: 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. The hierarchy comprises 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 that are significant to the fair value of the assets or liabilities

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying 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 September 30, 2021 and 2020:

	Fair Value Measurements Using			
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2021				
Assets				
Investments				
Money market funds	\$ 840,201	\$ 840,201	\$ -	\$ -
Equity mutual funds				
Domestic	7,891,113	7,891,113	-	-
International	1,797,556	1,797,556	-	-
Fixed income mutual funds				
Diversified taxable	7,586,760	7,586,760	-	-
Credit	589,892	589,892	-	-
Other	129,122	129,122	-	-
Exchange traded funds	403,692	403,692	-	-
Alternative mutual hedge funds	796,611	796,611	-	-
Total investments	<u>20,034,947</u>	<u>20,034,947</u>	<u>-</u>	<u>-</u>
Interest in assets at Community Foundation	<u>77,790</u>	<u>-</u>	<u>-</u>	<u>77,790</u>
Total assets	<u>\$ 20,112,737</u>	<u>\$ 20,034,947</u>	<u>\$ -</u>	<u>\$ 77,790</u>

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

	Total 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)
September 30, 2020				
Assets				
Investments				
Money market funds	\$ 406,854	\$ 406,854	\$ -	\$ -
Equity mutual funds				
Domestic	7,343,434	7,343,434	-	-
International	1,793,572	1,793,572	-	-
Fixed income mutual funds				
Diversified taxable	6,324,187	6,324,187	-	-
Credit	403,032	403,032	-	-
Other	173,273	173,273	-	-
Alternative mutual hedge funds				
	<u>723,092</u>	<u>723,092</u>	-	-
Total investments	<u>17,167,444</u>	<u>17,167,444</u>	-	-
Interest in assets at				
Community Foundation	<u>85,681</u>	<u>-</u>	<u>-</u>	<u>85,681</u>
Total assets	<u>\$ 17,253,125</u>	<u>\$ 17,167,444</u>	<u>\$ -</u>	<u>\$ 85,681</u>

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying 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 September 30, 2021. 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 by using quoted prices of securities with similar characteristics or independent asset 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. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. See the table below for inputs and valuation techniques used for Level 3 securities.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Interest in Assets at Community Foundation

Fair value is estimated using a discounted cash flow model. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Unobservable (Level 3) Inputs

The following tables present quantitative information about unobservable inputs used in recurring Level 3 fair value measurements at September 30, 2021 and 2020.

	Fair Value at 9/30/21	Valuation Technique	Unobservable Inputs
Interest in assets at Community Foundation	\$ 77,790	Discounted cash	Present value of estimated future cash flows

	Fair Value at 9/30/20	Valuation Technique	Unobservable Inputs
Interest in assets at Community Foundation	\$ 85,681	Discounted cash	Present value of estimated future cash flows

Note 15: Commitments

The Mission entered into an agreement with Thrift Management Specialists, LLC to provide management for the Mission's thrift store operations through August 31, 2022. This agreement may be extended upon mutual consent of the parties for one additional five-year term and will be automatically renewed for successive five-year terms. Management fees relating to this contract are paid monthly at a rate of 10 percent of gross sales, but only up to the net profit of the stores and are calculated on a store-by-store basis. Additional one-time management fees are owed for any new stores opened. Management fees expense totaled \$646,839 and \$385,045 for the years ended September 30, 2021 and 2020, respectively.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

From 2012 to 2014, the Mission was granted Affordable Housing Assistance Program (AHAP) tax credits from the Missouri Housing Development Commission. The tax credits were used to seek contributions for the purchase of a support facility and warehouse, various projects for the Christian Life Center, the Family Center, the Community Assistance Center, to provide funding for the Mission's wastewater project at its Warsaw, Missouri Camp, and to construct a multi-purpose building at its Warsaw, Missouri Camp. The terms and conditions of the tax credit agreements require that property use restrictions govern the use of the properties for a period of 10 years. The resulting property use restriction agreements for the properties will expire between 2021 and 2024.

Note 16: Federal Home Loan Grant

Federal Home Loan Bank of Des Moines (FHLB), Community America Credit Union and City Union Mission, Inc. entered into an Affordable Housing Program Agreement, effective June 27, 2007. The total loan grant of \$500,000 was drawn down in 2008. This loan grant does not have an interest requirement or repayment terms and will be forgiven in year 2023 if all FHLB conditions are met. Those requirements include: maintaining 100 units of low-income housing (75 units for persons at 50 percent or less of the area mean income and 25 units for persons at 60 percent or less of the area mean income). Management believes the probability of the Mission failing to meet these requirements to be remote. Accordingly, the loan grant was recognized as grant revenue when received. Management annually assesses its compliance with these requirements and will record a liability for repayment of the \$500,000 grant at any point that the likelihood of being required to repay the grant is assessed to be more than remote.

Federal Home Loan Bank of Des Moines (FHLB), Community America Credit Union and City Union Mission, Inc. entered into an Affordable Housing Program Agreement effective November 11, 2009. This total grant was drawn down in 2009 and is similar in all respects to the 2007 agreement discussed above. This loan will be forgiven in 2025 if all FHLB conditions are met. In the event of noncompliance, the Mission will record a liability for repayment of \$468,000.

Federal Home Loan Bank of Des Moines (FHLB), Community America Credit Union and City Union Mission, Inc. entered into an affordable Housing Program Agreement, effective November 10, 2011. The total loan grant for \$456,687 was drawn down in 2012. This loan grant does not have an interest requirement or repayment terms and will be forgiven in year 2027 if all FHLB conditions are met. Those requirements include maintaining an additional 48 units of low-income housing (all units for persons at 50 percent or less of the area mean income). Management believes the probability of the Mission failing to meet these requirements to be remote. Accordingly, the loan grant was recognized as revenue when received. Management will annually assess its compliance with these requirements and will record a liability for repayment of the \$456,687 grant at any point that the likelihood of being required to repay the grant is assessed to be more than remote.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Note 17: 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:

General Litigation

The Mission is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Mission. Events could occur that would change this estimate materially in the near term.

Investments

The Mission 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 changes could materially affect the amounts reported in the accompanying statements of financial position.

Inventories

As discussed in *Note 1*, inventory value is estimated based on subsequent sales of goods adjusted for inventory turnover.

Functional Allocation of Expenses

As discussed in *Note 1*, certain costs have been allocated among the program, general and administrative and fundraising categories based upon estimated time expended, usage and other methods.

Note 18: Subsequent Events

Subsequent events have been evaluated through February 18, 2022, which is the date the financial statements were available to be issued.

City Union Mission, Inc.
Notes to Financial Statements
September 30, 2021 and 2020

Note 19: Future Change in Accounting Principle

Accounting for Leases

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the statements of financial position as both a right-of-use asset and a liability. The standard has two types of leases for statements of activities recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021, and any interim periods within annual reporting periods that begin after December 15, 2022. The Mission is evaluating the effect the standard will have on the financial statements; however, the standard is expected to have a material effect on the financial statements due to the recognition of additional assets and liabilities for operating leases.

Supplementary Information

City Union Mission, Inc.
Schedule of Contributed Services and Gifts-in-Kind
Year Ended September 30, 2021
(With Summarized Information for the Year Ended September 30, 2020)

	Warehouse	Men's Ministry	Farm and Camp	Thrift Stores	Family and Youth Ministries	Facilities	General and Administrative	Fundraising	2021 Total	2020 Total
Clothing	\$ -	\$ 14,514	\$ 3,710	\$ -	\$ 110,713	\$ -	\$ -	\$ -	\$ 128,937	\$ 158,278
Food	-	924,856	1,717	-	602	-	-	-	927,175	1,284,471
Donated meals prepared	-	15,515	-	-	9,899	-	-	1,483	26,897	77,435
Paper products	48,830	-	-	-	-	-	-	-	48,830	47,856
Professional services	-	11,896	-	-	-	-	-	24,300	36,196	239,160
Supplies	53,749	5,251	-	-	405	-	64	3,796	63,265	50,931
Miscellaneous	-	-	5,314	-	85,256	1,281	5,361	5,644	102,856	104,932
Radio air time	-	-	-	-	-	-	-	141,035	141,035	171,410
Public education	-	-	-	-	-	-	-	19,167	19,167	36,825
Furniture and household items	-	3,149	1,080	-	146,657	-	-	-	150,886	243,137
Christmas/Thanksgiving baskets	-	-	-	-	43,581	-	-	-	43,581	60,193
Equipment	102,999	630	4,359	-	545	-	-	-	108,533	75,590
Thrift store sale items for resale	-	-	-	6,113,001	-	-	-	-	6,113,001	4,587,250
Real estate	-	-	-	-	-	-	-	-	-	3,990,000
	<u>\$ 205,578</u>	<u>\$ 975,811</u>	<u>\$ 16,180</u>	<u>\$ 6,113,001</u>	<u>\$ 397,658</u>	<u>\$ 1,281</u>	<u>\$ 5,425</u>	<u>\$ 195,425</u>	<u>\$ 7,910,359</u>	<u>\$ 11,127,468</u>

Nonprofessional volunteer time: A substantial number of nonprofessional volunteers donate time to the Mission. These volunteers are responsible for documenting their time with the Mission. This time, which management estimates to be approximately 31,763 hours in 2021 and 15,600 hours in 2020, was not recognized in the financial statements because it did not meet the criteria for recognition under ASC 958-605-25-16.

City Union Mission, Inc.
Schedules of Contributions
Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Individuals	\$ 8,385,550	\$ 7,285,532
Bequests, gifts and annuities	818,425	697,009
Churches/civic groups	254,277	255,338
Business support	923,213	713,066
Matching gifts	55,688	24,877
Foundations	2,143,296	2,075,296
Bikers	26,171	22,716
Klapmeyer Grocery	9,281	7,611
	<u>\$ 12,615,901</u>	<u>\$ 11,081,445</u>