



RESCUE MISSION ALLIANCE

Financial Statements  
With Independent Auditors' Report

June 30, 2024 and 2023

# RESCUE MISSION ALLIANCE

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Rescue Mission Alliance  
Oxnard, California

### ***Opinion***

We have audited the accompanying financial statements of Rescue Mission Alliance, which comprise the statements of financial position as of June 30, 2024 and 2023, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rescue Mission Alliance as of June 30, 2024 and 2023, 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.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Rescue Mission Alliance and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rescue Mission Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors  
Rescue Mission Alliance  
Oxnard, California

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rescue Mission Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rescue Mission Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

*Capin Crouse LLP*

Woodland Hills, California  
October 25, 2024

# RESCUE MISSION ALLIANCE

## Statements of Financial Position

	June 30,	
	2024	2023
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 1,816,324	\$ 1,423,653
Gift-in-kind inventory	793,418	812,339
Prepaid expenses and other assets	444,308	510,624
Investments	1,328,423	1,759,548
Property and equipment–net	19,797,444	21,017,601
Total Assets	<u>\$ 24,179,917</u>	<u>\$ 25,523,765</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 442,359	\$ 537,431
Accrued wages and related liabilities	750,927	739,767
Refundable advance	600,000	-
Debt payable–net	3,091,821	2,575,562
Total liabilities	<u>4,885,107</u>	<u>3,852,760</u>
Net assets:		
Without donor restrictions	18,739,284	21,114,494
With donor restrictions	555,526	556,511
Total net assets	<u>19,294,810</u>	<u>21,671,005</u>
Total Liabilities and Net Assets	<u>\$ 24,179,917</u>	<u>\$ 25,523,765</u>

See notes to financial statements

# RESCUE MISSION ALLIANCE

## Statements of Activities

	Year Ended June 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Grants and contributions	\$ 7,434,206	\$ 339,407	\$ 7,773,613	\$ 7,416,369	\$ 515,393	\$ 7,931,762
Gift-in-kind contributions	21,816,075	-	21,816,075	20,560,371	-	20,560,371
Sales	11,668,917	-	11,668,917	11,919,338	-	11,919,338
Less value of donated goods sold	(11,093,263)	-	(11,093,263)	(11,352,156)	-	(11,352,156)
	29,825,935	339,407	30,165,342	28,543,922	515,393	29,059,315
Gain on sale of property and equipment	691,885	-	691,885	43,947	-	43,947
Rental and other income	135,952	-	135,952	104,363	-	104,363
Total Support and Revenue	30,653,772	339,407	30,993,179	28,692,232	515,393	29,207,625
<b>NET ASSETS RELEASED FROM:</b>						
Purpose restrictions	340,392	(340,392)	-	53,466	(53,466)	-
Total Support, Revenue, and Reclassifications	30,994,164	(985)	30,993,179	28,745,698	461,927	29,207,625
<b>EXPENSES:</b>						
Program services	27,403,357	-	27,403,357	25,751,514	-	25,751,514
Supporting activities:						
Management and general	3,363,778	-	3,363,778	3,699,799	-	3,699,799
Fundraising	2,602,239	-	2,602,239	2,874,941	-	2,874,941
Total Expenses	33,369,374	-	33,369,374	32,326,254	-	32,326,254
Change in Net Assets	(2,375,210)	(985)	(2,376,195)	(3,580,556)	461,927	(3,118,629)
Net Assets, Beginning of Year	21,114,494	556,511	21,671,005	24,695,050	94,584	24,789,634
Net Assets, End of Year	\$ 18,739,284	\$ 555,526	\$ 19,294,810	\$ 21,114,494	\$ 556,511	\$ 21,671,005

See notes to financial statements

# RESCUE MISSION ALLIANCE

## Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services	Supporting Activities:		Total
		Management and General	Fundraising	
Salaries and related expenses:				
Salaries	\$ 9,318,889	\$ 1,747,235	\$ 897,945	\$ 11,964,069
Fringe benefits	910,101	160,244	83,338	1,153,683
Payroll taxes	703,129	137,041	67,015	907,185
Total salaries and related expenses	10,932,119	2,044,520	1,048,298	14,024,937
Other expenses:				
Gift-in-kind food and clothing	10,745,130	-	-	10,745,130
Donor development	-	-	1,301,028	1,301,028
Depreciation	925,397	59,286	22,005	1,006,688
Utilities	875,919	25,238	13,366	914,523
Consultants	495,738	260,316	87,183	843,237
Auto expense	691,353	15,155	1,100	707,608
Rent	633,322	-	-	633,322
Insurance	424,009	172,680	19,501	616,190
Supplies	340,619	41,192	6,753	388,564
Repairs and maintenance	243,017	11,249	2,514	256,780
Telephone	151,014	60,172	43,158	254,344
Security	250,131	2,296	407	252,834
Food costs	191,997	54	29	192,080
Bank charges	-	190,322	-	190,322
Interest	-	139,363	-	139,363
Advertising	94,570	26,301	1,864	122,735
Equipment rental	103,801	8,540	6,353	118,694
Miscellaneous	16,714	73,099	28,632	118,445
Contributions to others	117,282	-	-	117,282
Computer expenses	9,900	54,616	2,021	66,537
Taxes and licenses	49,127	11,918	4,374	65,419
Professional fees	-	55,057	-	55,057
Meals and entertainment	31,451	19,285	4,048	54,784
Travel	32,665	14,720	4,257	51,642
Printing	17,212	30,661	-	47,873
Postage	-	36,651	-	36,651
Medical expenses	20,199	755	184	21,138
Dues and subscriptions	10,193	7,388	673	18,254
Conferences and meetings	478	2,944	4,491	7,913
Total 2024 Expenses	\$ 27,403,357	\$ 3,363,778	\$ 2,602,239	\$ 33,369,374

See notes to financial statements

# RESCUE MISSION ALLIANCE

## Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services	Supporting Activities:		Total
		Management and General	Fundraising	
Salaries and related expenses:				
Salaries	\$ 8,871,034	\$ 2,070,285	\$ 871,541	\$ 11,812,860
Fringe benefits	843,362	184,744	71,069	1,099,175
Payroll taxes	698,795	146,626	63,528	908,949
Total salaries and related expenses	<u>10,413,191</u>	<u>2,401,655</u>	<u>1,006,138</u>	<u>13,820,984</u>
Other expenses:				
Gift-in-kind food and clothing	9,202,988	-	-	9,202,988
Donor development	-	-	1,614,045	1,614,045
Depreciation	971,480	45,818	24,131	1,041,429
Utilities	830,419	26,368	13,069	869,856
Consultants	556,640	216,573	76,833	850,046
Auto expense	641,247	13,940	1,381	656,568
Rent	609,833	-	-	609,833
Insurance	399,109	176,192	18,587	593,888
Supplies	453,929	62,269	13,977	530,175
Repairs and maintenance	218,414	23,858	4,631	246,903
Telephone	138,402	55,740	38,280	232,422
Security	594,394	1,343	164	595,901
Food costs	215,865	492	34	216,391
Bank charges	-	194,381	-	194,381
Interest	-	100,155	-	100,155
Advertising	83,920	29,894	2,419	116,233
Equipment rental	94,487	6,855	3,461	104,803
Miscellaneous	14,098	40,842	24,577	79,517
Contributions to others	111,758	76	5	111,839
Computer expenses	8,234	32,465	1,067	41,766
Taxes and licenses	60,116	14,110	5,829	80,055
Professional fees	345	123,012	-	123,357
Meals and entertainment	42,136	29,733	5,672	77,541
Travel	27,396	21,147	7,904	56,447
Printing	18,835	11,599	-	30,434
Postage	-	42,761	-	42,761
Medical expenses	30,697	979	386	32,062
Dues and subscriptions	12,314	9,360	655	22,329
Conferences and meetings	1,267	18,182	11,696	31,145
Total 2023 Expenses	<u>\$ 25,751,514</u>	<u>\$ 3,699,799</u>	<u>\$ 2,874,941</u>	<u>\$ 32,326,254</u>

See notes to financial statements



# RESCUE MISSION ALLIANCE

## Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ (2,376,195)	\$ (3,118,629)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Donated gift-in-kind inventory	(21,816,075)	(20,560,371)
Distributed gift-in-kind inventory	21,834,996	20,549,132
Depreciation and amortization	1,006,688	1,041,429
Net realized and unrealized gain on investments	(46,798)	(9,901)
Gain on disposal of property and equipment	(691,885)	(43,947)
Change in operating assets and liabilities:		
Prepaid expenses and other assets	66,316	(187,489)
Accounts payable and accrued liabilities	(95,072)	70,344
Accrued wages and related liabilities	11,160	109,892
Refundable advance	600,000	-
Net Cash Used in Operating Activities	(1,506,865)	(2,149,540)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(2,738,077)	(1,749,647)
Proceeds from sale of investments	3,216,000	-
Proceeds from sale of property and equipment	1,513,831	1,306,597
Purchases of property and equipment	(608,477)	(1,278,340)
Net Cash Provided (Used) by Investing Activities	1,383,277	(1,721,390)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on debt payable	(983,741)	(71,490)
Proceeds from new debt payable	1,500,000	-
Net Cash Provided (Used) by Financing Activities	516,259	(71,490)
Net Change in Cash and Cash Equivalents	392,671	(3,942,420)
Cash and Cash Equivalents, Beginning of Year	1,423,653	5,366,073
Cash and Cash Equivalents, End of Year	\$ 1,816,324	\$ 1,423,653
<b>SUPPLEMENTARY DISCLOSURE:</b>		
Cash paid for interest	\$ 139,566	\$ 100,074

See notes to financial statements

# RESCUE MISSION ALLIANCE

## Notes to Financial Statements

June 30, 2024 and 2023

1. NATURE OF ORGANIZATION:

Rescue Mission Alliance (RMA) was incorporated in 1972 in California as a non-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, RMA is subject to federal income tax on any unrelated business taxable income. In addition, the organization is not classified as a private foundation within the meaning of Section 509(a) of the IRC. Contributions by the public are deductible for income tax purposes.

RMA focuses its efforts on two core ministries, rescue missions and thrift stores, in addition to some auxiliary services they provide. RMA operates the following rescue missions and programs: Ventura County Rescue Mission, Central Coast Rescue Mission, San Fernando Valley Rescue Mission, Victor Valley Rescue Mission, Lighthouse for Women and Children, and Valley Food Bank. RMA operates six thrift stores in the following cities: Oxnard, Santa Maria, North Hollywood, Reseda, and Hesperia (Victor Valley).

RMA was formed to share the gospel of Jesus Christ and to provide care and services to homeless individuals and families. These services encompass food, shelter, Biblical counseling, job training, and personal development.

The primary support for RMA comes through contributions and sales from their six thrift stores that sell donated merchandise. These facilities are also used to train RMA clients in various vocations.

2. SIGNIFICANT ACCOUNTING POLICIES:

RMA maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

### CASH AND CASH EQUIVALENTS

RMA has defined cash and cash equivalents as cash on hand, cash in banks, and money market funds. These accounts may, at times, exceed federally insured limits. As of June 30, 2024 and 2023, RMA's cash balances exceeded federally insured limits by approximately \$1,294,000 and \$949,000, respectively.

### GIFT-IN-KIND INVENTORY

Gift-in-kind (GIK) inventory consists primarily of donated clothing for the thrift stores. Donations of inventory are measured at estimated fair value, based on estimated exit transaction value, and recognized as revenue in the period received. RMA also purchases certain specialty items for resale. These items are valued at the lower of cost or net realizable value.

# RESCUE MISSION ALLIANCE

## Notes to Financial Statements

June 30, 2024 and 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### INVESTMENTS

Investments consist of United States Treasury bills, which are held at fair value. RMA uses appropriate valuation techniques to determine fair value based on inputs available. When available, RMA measures fair value using Level 1 inputs based on quoted prices in active markets for identical assets, which generally provides the most reliable evidence of fair value. All of RMA's investments are valued at Level 2 due to them having significant other observable inputs.

#### PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the time of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, RMA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed into service. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets. RMA capitalizes all assets acquired through purchase or donation with a cost or fair value of greater than or equal to \$500, which is considered tangible personal or real property. The estimated useful lives of property and equipment are:

Buildings and building improvements	3-40 years
Equipment and furniture	3-7 years
Vehicles	5-7 years

#### REFUNDABLE ADVANCE

Refundable advance consists of a forgivable loan in which RMA must provided low income housing for the next 15 years at which time the refundable advance will be fully forgiven and recognized as revenue.

#### NET ASSETS

The financial statements report amounts by class of net assets:

*Net assets without donor restrictions* include amounts currently available at the discretion of the board of directors for use in RMA's operations and net investment in property and equipment.

*Net assets with donor restrictions* are stipulated by donors for specific operating purposes or for the acquisition of property and equipment.

# RESCUE MISSION ALLIANCE

## Notes to Financial Statements

June 30, 2024 and 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when cash or unconditional promises-to-give have been received, or ownership of donated assets is transferred to RMA. RMA records contributions with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions, or both. Contributions restricted by the donor for a specific purpose and for which the restrictions are fully satisfied on or before year end are reported as support without donor restrictions. If the restrictions are not fully satisfied on or before the year end, the contributions are recorded as support with donor restrictions. Upon satisfaction of the restriction, 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. All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to legal restrictions.

Gift-in-kind contributions consists of food and non-food items such as clothing, household goods and vehicles. These items are recorded using their fair value on the date of donation. Additional details are included in Note 7.

Many individuals and businesses volunteer their time and equipment to perform a variety of tasks that assist RMA's project development, fundraising, and operations. These contributed services are recorded at fair value at the date of contribution only if the services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the years ended June 30, 2024 and 2023, no services meeting the criteria for recognition were received. Rental and other income is recorded when earned.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs, such as depreciation and payroll, have been allocated among the program services and supporting activities based on time and effort, square footage, and estimated benefit to each category. For the years ended June 30, 2024 and 2023, joint costs totaling \$182,823 and \$144,900, respectively, related to the newsletter have been allocated equally between the program and fundraising functions.

#### ADVERTISING

RMA uses advertising to promote its programs among the audiences it serves, as well as to educate the public on issues surrounding homelessness, which is why some of the advertising costs are allocated to program. Advertising costs are expensed as incurred.

# RESCUE MISSION ALLIANCE

## Notes to Financial Statements

June 30, 2024 and 2023

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

RMA has approximately \$3,144,000 and \$3,183,000, for financial assets available within one year of the statements of financial position as of June 30, 2024 and 2023, respectively. These amounts consist of cash and cash equivalents and investments. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position date.

RMA structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, RMA maintains two \$1,500,000 revolving lines of credit with separate banks. If necessary, that line of credit could be utilized to satisfy obligations as they come due.

4. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of:

	June 30,	
	2024	2023
Land and land improvements	\$ 7,639,373	\$ 7,927,952
Buildings	20,639,012	20,905,722
Equipment	3,430,423	3,405,028
Furniture and fixtures	875,593	875,593
Autos and trucks	2,282,581	2,221,331
	34,866,982	35,335,626
Less accumulated depreciation	(15,233,972)	(14,635,068)
	19,633,010	20,700,558
Projects in progress	164,434	317,043
	<u>\$ 19,797,444</u>	<u>\$ 21,017,601</u>

# RESCUE MISSION ALLIANCE

## Notes to Financial Statements

June 30, 2024 and 2023

5. DEBT PAYABLE–NET:

Debt payable–net consists of:

	June 30,	
	2024	2023
Note payable to a financial institution, collateralized by real property, with payments of \$10,815 due monthly including principal and interest at a fixed rate of 3.5%. The note matures April 2029 at which time a balloon payment will be due.	\$ 2,015,393	\$ 2,078,611
Note payable to a financial institution, collateralized by real property, with monthly payments of \$3,313 including principal and interest at 4.85%, due in May 2028.	489,731	496,951
Revolving line of credit with a bank. The line of credit has a maximum draw of \$1,500,000, bears interest at the Prime Rate plus 1.25% with a minimum rate of 4%, and is secured by real property. As of June 30, 2024, the interest rate for the line of credit was 7.25%. The line matures in September 2028.	600,000	-
Revolving line of credit with a bank. The line of credit has a maximum draw of \$1,500,000, bears interest at the Secured Overnight Financing Rate (SOFR) plus 2.5%, and is secured by real property. As of June 30, 2024, the interest rate for the line of credit was 7.84%. There were no draws on the line of credit during the years ended June 30, 2024 and 2023. Subsequent to the year ended June, 30, 2024, the line of credit was closed due to the opening of a new line of credit.	-	-
	<u>3,105,124</u>	<u>2,575,562</u>
Less debt issuance costs–net	<u>(13,303)</u>	<u>-</u>
	<u>\$ 3,091,821</u>	<u>\$ 2,575,562</u>

Debt issuance costs are recorded at cost and are amortized over the term of the loan agreement using the straight-line method. Debt issuance costs totaling \$15,348 were capitalized during the year ended, June 30, 2024. Accumulated amortization as of June 30, 2024 and 2023, was \$2,046 and \$0, respectively.

# RESCUE MISSION ALLIANCE

## Notes to Financial Statements

June 30, 2024 and 2023

5. DEBT PAYABLE–NET, continued:

Principal payment requirements on debt payable are:

<u>Year Ending June 30,</u>	
2025	\$ 76,676
2026	79,636
2027	82,713
2028	1,099,252
2029	1,753,544
	<u>\$ 3,091,821</u>

RMA was in compliance with, or obtained waivers for, all financial and reporting covenants as of June 30, 2024 and 2023.

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Vocational training	\$ 274,407	\$ 301,150
Food storage and distribution expansion	215,000	150,000
Day care fund for Home Again	40,000	40,000
Vehicle and equipment additions	21,119	25,618
Other	5,000	5,000
Nourishing Neighbors	-	34,743
	<u>\$ 555,526</u>	<u>\$ 556,511</u>

7. GIFT-IN-KIND CONTRIBUTIONS:

Gift-in-kind contributions consist of:

	<u>Year Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Clothing and furniture	\$ 11,070,945	\$ 11,334,957
Food	10,741,380	9,202,989
Other	3,750	22,425
	<u>\$ 21,816,075</u>	<u>\$ 20,560,371</u>

# RESCUE MISSION ALLIANCE

## Notes to Financial Statements

June 30, 2024 and 2023

7. GIFT-IN-KIND CONTRIBUTIONS, continued:

GIK contributions are not donor restricted. Food donations are utilized in all of RMA's programs and shelters. RMA serves as a food bank where food donations are received primarily from various grocery chains and items are prepared to be distributed to food pantries that provide food for families in need. RMA uses a discounted price schedule based on similar items available on the market. Unit items are priced in pounds, ounces, package or cans.

Clothing and household goods that are donated are sold in the thrift stores. These donations are sorted, priced at net realizable value then placed on the sales floor. Clothing and household items are priced by a team of veteran retail personnel who review comparable items online and in other thrift stores.

Vehicle donations, included in other in the table above, are valued using the average trade-in value from public websites, which approximates estimated exit transaction value.

8. RENTAL INCOME:

RMA owns several residential buildings and an office building, and received rental income from those properties of \$76,577 and \$66,485, for the years ended June 30, 2024 and 2023, respectively. RMA is also the lessor of a building that leases rooms under month-to-month leases to individuals who have graduated from drug and rehabilitation programs.

9. RETIREMENT PLAN:

RMA maintains a non-contributory defined contribution pension plan, qualified under Section 403(b) of the Internal Revenue Code, for the benefit of its eligible employees. Under the plan, a predetermined contribution is made to the account of each individual employee based on annual compensation. Contributions to the plan were \$231,480 and \$221,108, for the years ended June 30, 2024 and 2023, respectively.

10. LITIGATION:

From time to time, the Organization is subject to claims arising in the ordinary course of business. The Organization has been named as a defendant in two matters, but both matters are too early in the process to reasonably estimate a potential loss, if any.

11. SUBSEQUENT EVENTS:

Subsequent to the year ended June 30, 2024, the CEO resigned. The board of directors is searching for a replacement.

Subsequent events were evaluated through October 25, 2024, which is the date the financial statements were available to be issued.