



TOPEKA RESCUE MISSION, INC.

FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023 AND 2022

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Independent Auditor's Report

To the Board of Directors
Topeka Rescue Mission, Inc.

Opinion

We have audited the accompanying financial statements of Topeka Rescue Mission, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and 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 Topeka Rescue Mission, Inc. as of December 31, 2023 and 2022 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Topeka Rescue Mission, Inc. 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.

Emphasis of a Matter

As discussed in Note 18 to the financial statements, the 2022 financial statements have been restated to reflect a \$227,099 increase of beginning net assets without donor restrictions and \$227,099 decrease of beginning net assets with donor restrictions. Total net assets are unaffected and our opinion is not modified with respect to this matter.

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 Topeka Rescue Mission, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Topeka Rescue Mission, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Topeka Rescue Mission, Inc.'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas

October 22, 2024

TOPEKA RESCUE MISSION, INC.
STATEMENTS OF FINANCIAL POSITION

December 31,	2023	2022 (restated)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,338,077	\$ 2,556,203
Employee Retention Tax Credit receivable	323,237	217,308
Contributions and other receivables	22,842	19,569
Prepaid expenses	41,166	35,357
Grants receivable	11,562	53,531
Trade bank	28,492	30,272
Total current assets	1,765,376	2,912,240
Other assets		
Notes receivable	30,513	28,884
Investments	1,434,988	1,342,449
Property and equipment, net	6,594,994	6,921,918
Beneficial interest in perpetual trust	477,443	461,243
Total other assets	8,537,938	8,754,494
TOTAL ASSETS	\$ 10,303,314	\$ 11,666,734
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 40,330	\$ 74,922
Payroll liabilities	130,185	169,054
Total liabilities	170,515	243,976
Net assets		
Without donor restrictions	9,559,206	10,856,490
With donor restrictions	573,593	566,268
Total net assets	10,132,799	11,422,758
TOTAL LIABILITIES AND NET ASSETS	\$ 10,303,314	\$ 11,666,734

TOPEKA RESCUE MISSION, INC.
STATEMENTS OF ACTIVITIES

For the years ended December 31,	2023			2022 (restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support and gains						
Contributions of cash and other financial assets	\$ 2,852,066	\$ 149,212	\$ 3,001,278	\$ 3,166,085	\$ 141,734	\$ 3,307,819
Contributions of nonfinancial assets	81,877	-	81,877	51,198	-	51,198
Grant income	157,190	-	157,190	310,872	-	310,872
Investment income (loss)	131,195	-	131,195	(19,016)	-	(19,016)
Employee Retention Tax Credit	323,237	-	323,237	217,308	-	217,308
Miscellaneous	101,112	-	101,112	58,837	-	58,837
Gain on disposal of assets	24,035	-	24,035	73,879	-	73,879
Gain (loss) on beneficial interest in perpetual trust	-	16,200	16,200	-	(95,173)	(95,173)
Total revenues, support and gains	3,670,712	165,412	3,836,124	3,859,163	46,561	3,905,724
Net assets released from restrictions						
Restrictions satisfied by payments	158,087	(158,087)	-	122,647	(122,647)	-
Total revenues, support, gains and reclassifications	3,828,799	7,325	3,836,124	3,981,810	(76,086)	3,905,724
Expenses						
Program services	4,581,930	-	4,581,930	5,034,584	-	5,034,584
Management and general	440,396	-	440,396	530,685	-	530,685
Fundraising	103,757	-	103,757	102,699	-	102,699
Total expenses	5,126,083	-	5,126,083	5,667,969	-	5,667,969
CHANGE IN NET ASSETS	(1,297,284)	7,325	(1,289,959)	(1,686,159)	(76,086)	(1,762,245)
Net assets, beginning of year	10,856,490	566,268	11,422,758	12,542,649	642,354	13,185,003
Net assets, end of year	\$ 9,559,206	\$ 573,593	\$ 10,132,799	\$ 10,856,490	\$ 566,268	\$ 11,422,758

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

TOPEKA RESCUE MISSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES

	2023					
	Program Services			Supporting Services		
	Ministry Services	Distribution Services & Recycling	Total	Management & General	Fundraising	Total
Salaries and housing	\$ 1,854,533	\$ 311,180	\$ 2,165,713	\$ 266,009	\$ 77,795	\$ 2,509,517
Payroll taxes	151,831	27,444	179,275	12,242	5,923	197,440
Retirement benefits	12,274	1,525	13,799	755	543	15,097
Health insurance	347,554	16,076	363,630	19,139	-	382,769
Telephone	31,647	6,817	38,464	228	-	38,692
Utilities	200,868	43,266	244,134	1,449	-	245,583
Repairs and maintenance	245,325	52,841	298,166	1,770	-	299,936
Food and supplies	187,961	32,650	220,611	-	-	220,611
Supplies	101,356	29,257	130,613	-	-	130,613
Insurance	121,453	-	121,453	6,392	-	127,845
Direct assistance	143,673	58,969	202,642	-	-	202,642
Postage	3,696	-	3,696	-	-	3,696
Vehicle operating expense	27,109	24,725	51,834	-	-	51,834
Dues and subscriptions	-	-	-	4,153	-	4,153
Staff/volunteer relations	37,175	1,468	38,643	-	-	38,643
Bank service charges	-	-	-	12,803	-	12,803
Advertising/public relations	6,063	756	6,819	248	-	7,067
Printing	917	1,073	1,990	6,397	268	8,655
Office supplies	2,817	3,295	6,112	19,638	824	26,574
Miscellaneous	35,575	1,195	36,770	33,536	-	70,306
Accounting and legal	-	-	-	38,018	-	38,018
Newsletter	-	-	-	15,057	18,404	33,461
Depreciation	355,049	76,475	431,524	2,562	-	434,086
Mentee	26,042	-	26,042	-	-	26,042
Total expenses	\$ 3,892,918	\$ 689,012	\$ 4,581,930	\$ 440,396	\$ 103,757	\$ 5,126,083

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

TOPEKA RESCUE MISSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31,		2022				
	Program Services			Supporting Services		
	Ministry Services	Distribution Services & Recycling	Total	Management & General	Fundraising	Total
Salaries and housing	\$ 1,880,904	\$ 315,605	\$ 2,196,508	\$ 269,791	\$ 78,901	\$ 2,545,201
Payroll taxes	157,700	28,505	186,205	12,714	6,152	205,072
Retirement benefits	15,937	1,980	17,917	980	706	19,603
Health insurance	467,327	21,616	488,943	25,734	-	514,677
Telephone	31,511	6,787	38,299	227	-	38,526
Utilities	205,432	44,249	249,681	1,482	-	251,163
Repairs and maintenance	268,171	57,762	325,933	1,935	-	327,868
Food and supplies	148,989	25,881	174,870	-	-	174,870
Supplies	144,301	41,654	185,955	-	-	185,955
Insurance	129,966	-	129,966	6,840	-	136,806
Direct assistance	40,627	16,675	57,302	-	-	57,302
Postage	11,314	-	11,314	-	-	11,314
Vehicle operating expense	25,514	23,270	48,784	-	-	48,784
Dues and subscriptions	-	-	-	1,802	-	1,802
Staff/volunteer relations	38,824	1,534	40,358	-	-	40,358
Bank service charges	-	-	-	18,165	-	18,165
Advertising/public relations	19,144	2,387	21,532	780	-	22,312
Printing	2,477	2,898	5,375	17,271	725	23,371
Office supplies	2,739	3,204	5,943	19,094	801	25,838
Miscellaneous	110,295	3,706	114,001	103,974	-	217,975
Accounting and legal	-	-	-	34,772	-	34,772
Newsletter	-	-	-	12,612	15,415	28,027
Depreciation	347,957	74,948	422,905	2,510	-	425,415
Mentee	312,793	-	312,793	-	-	312,793
Total expenses	\$ 4,361,922	\$ 672,662	\$ 5,034,584	\$ 530,685	\$ 102,699	\$ 5,667,969

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

TOPEKA RESCUE MISSION, INC.**STATEMENTS OF CASH FLOWS**

For the years ended December 31,	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,289,959)	\$ (1,762,245)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	434,086	425,415
Writeoff of note receivable	-	50,000
Realized and unrealized (gain) loss on investments	(92,539)	55,109
Noncash donation of property received	(52,859)	-
Assignment of note receivable	(1,629)	(1,543)
Gain on disposal of assets	(24,035)	(73,879)
Gain (loss) on beneficial interest in perpetual trust	(16,200)	95,173
(Increase) decrease in assets:		
Receivables	(67,233)	(168,434)
Prepaid expenses	(5,809)	37,324
Trade bank	1,780	(1,362)
Increase (decrease) in :		
Accounts payable	(34,592)	40,571
Payroll liabilities	(38,869)	6,872
NET CASH USED IN OPERATING ACTIVITIES	(1,187,858)	(1,296,999)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(139,687)	(377,436)
Purchase of investments	-	(1,000,000)
Proceeds from sale of property and equipment	109,419	167,478
NET CASH USED IN INVESTING ACTIVITIES	(30,268)	(1,209,958)
Net increase (decrease) in cash and cash equivalents	(1,218,126)	(2,506,957)
Cash and cash equivalents, beginning of year	2,556,203	5,063,160
Cash and cash equivalents, end of year	\$ 1,338,077	\$ 2,556,203

TOPEKA RESCUE MISSION, INC.
NOTES TO THE FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF OPERATIONS

Topeka Rescue Mission Ministries (TRM) began its work in 1953 as a small room which provided shelter and food for homeless men. A brand-new shelter was constructed in 1991 to house men, women and families. By 2000, an additional new shelter was built to house over 100 additional homeless women and families. In 2004, a Distribution Center was opened which allowed TRM to expand their outreach to meeting the needs of the poor in the community. In 2011, Operation Street Reach was created to reach out to unsheltered homeless individuals not currently receiving TRM services. While helping people in poverty will always be a need, TRM questioned if prevention efforts could decrease the number of individuals in need of shelter. TRM believes the effort to understand the root causes of poverty and homelessness will help to empower and transform individuals, families and communities. TRM is primarily supported with contributions and grants from individuals, churches, foundations and corporations

Key programming is focused on stabilizing the community through the following efforts:

1. Homeless Services
 - a. Shelter Services - Providing shelter to those who are experiencing homelessness.
 - b. Street Reach - Reaching out to individuals in the city who are unsheltered and homeless.
 - c. Food Services - Providing meals to individuals in need.
 - d. Education Services – Career Readiness Education and programming to help guests establish behavior and soft skills targeted toward increasing their ability to be successful in the community.
 - e. Assisting those escaping human trafficking.
 - f. Homeless rehousing and stabilization services.
2. Trauma Based Initiatives
 - a. Training for all staff and key volunteers targeted at recognizing the trauma all TRM guests and neighbors have experienced, as well as the secondhand trauma experience by serving our guests and neighbors.
 - b. Training for guests targeted as helping them recognize trauma in their past as well as tools to assist them with managing emotions.
3. Supportive Services
 - a. Distribution Services – Receiving and distributing donations throughout TRM and to the community, including food box distribution to the community and organizations across the community addressing hunger.
 - b. Volunteer Services – Engaging the community to assist in activities across the organization.
 - c. Development and Support services – Human and financial resources, donation processing, IT, and marketing and communications.
 - d. Facilities and security

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

TRM prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

TOPEKA RESCUE MISSION, INC.
NOTES TO THE FINANCIAL STATEMENTS

Net assets

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

Net assets without donor restrictions – net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions – net assets subject to donor or certain grantor restrictions. Some donor-imposed 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 donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has passed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles includes the use of estimates that affect the financial statements. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statement of financial position and the statement of cash flows, cash is defined as demand deposits including checking accounts, money market accounts and certificates of deposit not included in brokerage accounts. TRM has no noncash financing transactions nor were any cash payments made for income taxes or interest expense.

Property and equipment

Property and equipment are carried at cost. Expenditures for major renewals and betterments with useful lives of more than one year and a unit acquisition cost of \$5,000 or more are capitalized. When assets are retired or otherwise disposed of, the asset and related accumulated depreciation are removed, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is expensed as incurred.

Depreciation of property and equipment is computed on the straight-line method over the estimated useful life of the asset:

Buildings	5-39 years
Landscaping	10 – 15 years
Furniture, fixtures and equipment	3 – 15 years
Vehicles	5 – 7 years

Revenue recognition

Contributions are recognized when cash, other assets, unconditional promises to give; or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Revenue with and without restrictions

Contributions received are recorded as increases in support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a

TOPEKA RESCUE MISSION, INC.
NOTES TO THE FINANCIAL STATEMENTS

stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Investments

Investments are reported at fair value. Gains and losses, whether realized or unrealized, are included in investment income. Investments are exposed to various risks such as significant world events, interest rate, credit and overall market volatility risks. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Fair value measurements – definition and hierarchy

The FASB established a framework for measuring fair value and disclosing fair value measurements to financial statement users. 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 in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement dates. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk.

In determining fair value, TRM uses various valuation approaches. The FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of TRM. Unobservable inputs are inputs that reflect TRM's assumptions about assumptions market participants would use in pricing the assets or liabilities developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which TRM has access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree for judgment exercised by TRM in determining fair value is greatest for instruments categorized in Level 3.

TOPEKA RESCUE MISSION, INC.

NOTES TO THE FINANCIAL STATEMENTS

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than on organization-specific measure. Therefore, even when market assumptions are not readily available, TRM's own assumptions are set to reflect those that TRM believes market participants would use in pricing the asset or liability at the measurement date.

Income taxes

TRM is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code as provided by a determination letter received from the Internal Revenue Service.

TRM has adopted the provisions of FASB ASC 740-10, *Accounting for Income Taxes*. This standard clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. The standard prescribes recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. TRM has not identified any uncertain tax positions.

TRM's income tax returns are subject to review and examination by federal, state, and local authorities. TRM is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

Recently adopted accounting pronouncements

In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses*, which, among other things requires the measurement of credit losses on financial instruments. ASU 2016-13 is effective for not-for-profit entities for fiscal years beginning after December 15, 2022. TRM adopted and retrospectively applied ASU 2016-13 as of January 1, 2023. No changes were necessary for the adoption of ASU 2016-13.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following at December 31:

	2023	2022 (restated)
Cash and cash equivalents	\$ 1,338,077	\$ 2,556,203
Grants receivable	11,562	53,531
Employee Retention Tax Credit receivable	323,237	217,308
Contributions and other receivable	22,842	19,569
	1,695,718	2,846,611
Less: amounts restricted for use included above	(96,150)	(105,025)
	\$ 1,599,568	\$ 2,741,586

TRM receives contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

TOPEKA RESCUE MISSION, INC.
NOTES TO THE FINANCIAL STATEMENTS

TRM manages its liquidity following guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. TRM developed a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days of operating expenses. TRM also developed a policy to target a year-end balance of undesignated net assets to meet a minimum of 30 days of expected expenditures. To achieve these targets, the entity will forecast its future cash flows and monitor its liquidity no less than two times per year.

4. BENEFICIAL INTEREST IN PERPETUAL TRUST

During 2019, management became aware of a donor-established perpetual trust with CoreFirst Bank and Trust naming TRM as the beneficiary. Under the terms of the perpetual agreement, TRM is to receive the income from the trust annually without restriction. The income is calculated as 5% of a rolling 12 quarter average. During the year ended December 31, 2019, TRM recorded its beneficial interest in the trust by recognizing a perpetually restricted contribution representing the fair value of the trust's assets when TRM became aware of the gift and the amount could be reasonably estimated. As of December 31, 2023 and 2022, TRM's beneficial interest in the fair value of the trust was estimated to be \$477,443 and \$461,243, respectively. Increase in fair value of \$16,200 and decrease in fair value of \$95,173 are recognized in 2023 and 2022, respectively, as perpetual restricted gains or losses. Distributions of trust earnings are recorded as undesignated investment income when received.

Due to the level of risk associated with the underlying investments included in the Trust, it is at least reasonably possible that changes in the value of the beneficial interest in perpetual trust could occur in the near term and could materially affect the amounts reported in the statements of financial position. The underlying investments are comprised of cash and mutual funds.

5. INVESTMENTS

Investments represent amounts held for future use without restrictions and are comprised of the following at December 31:

	2023	2022
Brokerage cash	\$ 224,341	\$ 6,191
Certificates of deposit	152,752	500,475
Mutual funds	719,135	537,273
Equity stocks	338,760	298,510
Total	\$ 1,434,988	\$ 1,342,449

TOPEKA RESCUE MISSION, INC.
NOTES TO THE FINANCIAL STATEMENTS

6. FAIR VALUE MEASUREMENTS

Fair value of assets measured on a recurring basis at December 31 are as follows:

Fair Value Measurements at Reporting Date Using

2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Brokerage cash	\$ 224,341	\$ -	\$ -	\$ 224,341
Cerificates of deposit	-	152,752	-	152,752
Mutual funds	719,135	-	-	719,135
Equity securities	338,760	-	-	338,760
Beneficial interest in perpetual trust	-	-	477,443	477,443
Total	\$ 1,282,236	\$152,752	\$ 447,443	\$ 1,912,431

Fair Value Measurements at Reporting Date Using

2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Brokerage cash	\$ 6,191	\$ -	\$ -	\$ 6,191
Cerificates of deposit	-	500,475	-	500,475
Mutual funds	537,273	-	-	537,273
Equity securities	298,510	-	-	298,510
Beneficial interest in perpetual trust	-	-	461,243	461,243
Total	\$ 841,974	\$500,475	\$ 461,243	\$ 1,803,692

Mutual funds and equity securities are stated at fair value based on quoted market prices in active markets (Level 1). Certificates of deposit are priced at fair value using a market value pricing model (Level 2).

Level 3 measurements

TRM's beneficial interest in a perpetual trust is valued based on the fair value of the underlying trust assets as reported by the trustees. The trustees use multiple approaches to determine the fair value of the underlying assets, primarily, quoted prices for identical assets in active markets when available. This beneficial interest has been categorized as a Level 3 fair value measurement because TRM will never receive the trust's assets.

TOPEKA RESCUE MISSION, INC.
NOTES TO THE FINANCIAL STATEMENTS

Activity in assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows:

January 1, 2022	\$	556,416
Investment return, net		(67,558)
Distributions		(27,615)
December 31, 2022		461,243
Investment return, net		42,654
Distributions		(26,454)
December 31, 2023	\$	477,443

Gains or losses related to the Level 3 investments are included in perpetual in nature restricted net assets attributable to the overall change in the fair value of TRM's interest in perpetual trust.

7. PROPERTY AND EQUIPMENT

Property and equipment at December 31 consists of:

	2023	2022
Land	\$ 58,427	\$ 55,567
Buildings and landscaping	10,336,832	10,324,163
Furniture, fixtures and equipment	2,071,209	1,989,707
Vehicles	449,648	444,134
Total property and equipment	12,916,116	12,813,571
Less accumulated depreciation	(6,321,122)	(5,891,653)
Property and equipment, net	\$ 6,594,994	\$ 6,921,918

Depreciation expense for the years ended December 31, 2023 and 2022 was \$434,086 and \$425,415, respectively.

8. NOTE RECEIVABLE

During 2015, TRM received assignment of two promissory notes: Madison Housing Associates Two Limited Partnership and Northrock Housing Associates Two Limited Partnership from the Topeka Community Foundation. These notes were recorded in the financial statements as discounted notes receivable and contribution revenue.

Madison Housing Associates Two Limited Partnership matured and was fully paid in 2021. The note with Northrock Housing Associates Two Limited Partnerships has a balance due at maturity of \$50,000 and is scheduled to mature on December 31, 2032. The note bears interest at 5.5 percent.

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9. MAINTENANCE AGREEMENTS

The Organization maintains the heating, ventilation and air conditioning equipment in its buildings through long term maintenance agreements for various terms under non-cancelable service contracts. The agreements expire at various dates through 2024. The Organization also started a new maintenance contract for sanitary facilities maintenance with Cintas and the agreement expires in 2028. In the normal course of business, these maintenance agreements will be renewed or replaced by new agreements. The total maintenance agreement expense for the years ended December 31, 2023 and 2022 was \$48,013 and \$51,709, respectively.

There are no significant future minimum payments required under the maintenance agreements for the year ended December 31, 2024.

10. RETIREMENT PLAN

TRM adopted a SIMPLE IRA Plan in July of 2001 for eligible employees who choose to participate in the program. TRM contributes a matching amount up to three percent of each eligible employee's annual wages toward the retirement plan. Total contributions to the plan were \$15,097 and \$19,603 for the years ended 2023 and 2022, respectively.

11. OTHER RESOURCES

The Topeka Community Foundation received funds by bequest that designate TRM as the income beneficiary. One fund was established in 1995 for TRM. Income from this fund can be used for operations as needed. During 2003, a second fund was established. Income from this fund can be used by TRM to assist individuals who have suffered losses due to disaster. The Foundation administers these funds, investing the principal and any undistributed income in pooled investments. The total balance of these funds at December 31, 2023 and 2022 was \$93,072 and \$73,198, respectively. The distributions are recorded as income by TRM in the year received. Distributions received in 2023 and 2022 were \$3,810 and \$3,834, respectively.

12. CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statements of activities include the following for the years ended December 31:

		2023		2022
Building and flooring	\$	58,073	\$	-
Inventory sales		23,804		51,198
Total	\$	81,877	\$	51,198

TRM recognized contributed nonfinancial assets within revenues, support and gains. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

A church building was purchased for one dollar to expand TRM's Ministry program in 2023. The difference between fair value and the purchase price of one dollar was recognized as a contribution of nonfinancial assets. In valuing the church, TRM estimated the fair value of the church based on a professional opinion from a commercial real estate agent. In addition, TRM had new flooring for the Hope Center donated which was valued at cost.

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It is TRM's policy to sell inventory as part of operating its distribution center. In valuing inventory, TRM estimated the fair value on the basis of subsequent sales. As a result, TRM estimated the contributed financial assets at the same amount of its sales of donated inventory.

Certain goods have been donated to TRM for internal use, giving to those in need throughout the community. The value of these contributed goods is not reflected in the statements because the donations are not susceptible to independent measurement.

A significant number of unpaid volunteers have made contributions of their time to assist in TRM's operations. The value of this contributed time is not reflected in these financial statements due to a lack of an objective method of valuation. In accordance with accounting principles generally accepted in the United States of America, routine volunteer services requiring no particular expertise are not to be reported as contribution revenue.

13. RESTRICTED NET ASSETS

Net assets with donor restrictions were restricted at December 31 as follows:

	2023	2022 (Restated)
Subject to expenditure for specified purpose:		
General expansion	\$ 19,168	\$ 17,780
Christmas	-	273
Restore Hope	51,982	21,378
Total subject to expenditure for specified purpose	71,150	80,025
Perpetual in nature	502,443	486,243
	\$ 573,593	\$ 566,268

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors at December 31 as follows:

	2023	2022
Subject to expenditure for specified purpose:		
General expansion	\$ 1,312	\$ 1,283
Christmas	6,467	7,013
Restore Hope	11,956	-
Restricted contributions received and released in same year	138,352	114,351
Satisfaction of purpose restriction	\$ 158,087	\$ 122,647

14. EMPLOYEE RETENTION TAX CREDIT

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") signed into law on March 27, 2020 and the subsequent extension of the CARES Act, TRM was eligible for an employee retention tax credit (ERTC) subject to certain criteria. TRM filed for payment of credits totaling \$542,410 and recorded the full amount as of December 31, 2022 as an Employee Retention Tax Credit receivable. On March 20, 2023, TRM received an IRS notice that the ERTC credit was adjusted by \$325,102. Although TRM is working with the consultant, Leyton, to receive the remaining credit amount, an allowance against the receivable was recorded, decreasing the receivable to \$217,308 as of December 31, 2022.

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On December 1, 2023, TRM amended and resubmitted its 2021 claim for the ERTC according to the consultant's calculation. TRM recorded a receivable for the full amount of \$323,237 as of December 31, 2023. The IRS paused processing ERTC claims in January 2023 but restarted in August 2024. Management of TRM believes the full amount is collectible.

15. CONTINGENCY

TRM has filed for the ERTC as described in Note 14. As of the date of this report a portion of the anticipated credits has not yet been received. Recent guidance and actions from the Internal Revenue Service (IRS) indicate heightened scrutiny of ERTC claims, including the possibility of audits and claim rejections. Although management has made claims in good faith, there remains a possibility that some or all of the remaining credits may not be received, or could be further delayed due to additional review or disallowance by the IRS.

16. CONCENTRATION OF CREDIT RISK

TRM places its temporary cash investments with high credit quality financial institutions located in the Topeka area. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times such cash investments may be in excess of the FDIC insurance limit. At December 31, 2023 and 2022, the amount in excess of FDIC limits was \$0 and \$520,181, respectively.

17. FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates.

The basis for allocation of expenses to a specific program is determined by management. Costs that are not directly associated with providing specific services have been allocated based upon the usage of square footage of the buildings.

18. PRIOR PERIOD ADJUSTMENT

During 2023, management discovered that the following amounts had not been released from donor restrictions prior to December 31, 2021:

Subject to expenditure for specified purpose:	
General expansion	\$ 179,694
Restore Hope	31,368
Christmas	16,037
Total	\$ 227,099

As a result, beginning net assets without donor restrictions for the year ended December 31, 2022 were understated by \$227,099 while beginning net assets with donor restrictions for the year ended December 31, 2022 were overstated by \$227,099. An adjustment has been made to correct the error and the accompanying 2022 financial statements. The adjustment had no effect on total net assets at December 31, 2023 or 2022.

TOPEKA RESCUE MISSION, INC.
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19. RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current year presentation.

20. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 22, 2024, the date these financial statements were available to be issued and determined that no subsequent events have occurred that would require recognition in the financial statements.

The Organization received a contribution without donor restrictions of \$1,545,000 in July 2024 and adopted a 403b retirement plan on March 1, 2024.