



**York Union Rescue Mission, Inc. and  
Subsidiary d/b/a LifePath Christian  
Ministries and Subsidiary**

**Consolidated Financial Statements and  
Supplementary Information**

June 30, 2023 and 2022



**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Table of Contents  
June 30, 2023 and 2022

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 to 3
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5 and 6
Consolidated Statement of Changes in Net Assets	7
Consolidated Statement of Functional Expenses - by Natural Classification	8 and 9
Consolidated Statement of Cash Flows	10 and 11
Notes to Consolidated Financial Statements	12 to 27
<b>SUPPLEMENTARY INFORMATION</b>	
Consolidating Schedule - Financial Position Information	28 and 29
Consolidating Schedule - Activities Information	30 and 31
Consolidating Schedule - Changes in Net Assets Information	32
Consolidating Schedule - Expense Information	33 and 34

## Independent Auditor's Report

To the Board of Directors  
York Union Rescue Mission, Inc. and Subsidiary  
d/b/a LifePath Christian Ministries and Subsidiary  
York, Pennsylvania

### Qualified Opinion

We have audited the consolidated financial statements of York Union Rescue Mission, Inc. and Subsidiary d/b/a LifePath Christian Ministries and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, changes in net assets, functional expenses - by natural classification, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in its 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 Qualified Opinion

As disclosed in Note 2 to the financial statements, thrift store merchandise, including clothing, home furnishings, and other miscellaneous items that the Organization acquired through donations are not recorded in the accompanying financial statements. Accounting principles generally accepted in the United States of America require gifts to be recorded at the estimated fair value at the date of receipt. The effects on the accompanying financial statements related to the failure to record donated thrift store merchandise acquired by gift have not been determined.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization 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 qualified audit opinion.

### Emphasis of Matter

As discussed in Note 2 of the financial statements, effective July 1, 2022, the Organization adopted new accounting guidance under Accounting Standards Codification Topic 842, *Leases*. Our conclusion 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 the Organization'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 the Organization'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.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

RKL LLP

January 16, 2024  
York, Pennsylvania

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

Consolidated Statement of Financial Position

	June 30,	
	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 495,813	\$ 1,370,189
Accounts receivable	15,517	15,720
Prepaid expenses	42,605	56,900
Gift cards	19,212	20,963
<b>Total Current Assets</b>	<b>573,147</b>	<b>1,463,772</b>
<b>Property and Equipment, Net</b>	<b>1,539,057</b>	<b>1,577,312</b>
<b>Other Assets</b>		
Restricted cash	88,133	161,014
Beneficial interest in trusts	1,058,969	1,001,203
Right-of-use assets - financing leases	37,950	-
Right-of-use assets - operating leases	1,053,405	-
<b>Total Other Assets</b>	<b>2,238,457</b>	<b>1,162,217</b>
<b>Total Assets</b>	<b>\$ 4,350,661</b>	<b>\$ 4,203,301</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Lines of credit	\$ 109,344	\$ 27,807
Accounts payable	235,289	171,408
Accrued payroll and compensated absences	89,445	92,697
Deferred revenue	-	1,788
Current portion of obligations under finance/capital leases	6,733	7,774
Current portion of obligations under operating leases	234,930	-
<b>Total Current Liabilities</b>	<b>675,741</b>	<b>301,474</b>
<b>Long-Term Liabilities</b>		
Obligations under finance/capital leases	5,961	12,707
Obligations under operating leases	827,187	-
<b>Total Long-Term Liabilities</b>	<b>833,148</b>	<b>12,707</b>
<b>Total Liabilities</b>	<b>1,508,889</b>	<b>314,181</b>
<b>Net Assets</b>		
Without donor restrictions	1,694,670	2,726,903
With donor restrictions	1,147,102	1,162,217
<b>Total Net Assets</b>	<b>2,841,772</b>	<b>3,889,120</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,350,661</b>	<b>\$ 4,203,301</b>

See accompanying notes.

**York Union Rescue Mission, Inc. and Subsidiary  
d/b/a LifePath Christian Ministries and Subsidiary**

Consolidated Statement of Activities

	Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Totals
<b>Support and Revenue</b>			
Contributions	\$ 2,293,278	\$ 54,256	\$ 2,347,534
Thrift store sales	2,318,855	-	2,318,855
In-kind contributions	1,231,143	-	1,231,143
Other income	91,463	-	91,463
Fundraising	33,503	-	33,503
Gain on sale of property and equipment	14,273	-	14,273
Interest income	8,889	450	9,339
Net assets released from restrictions	127,587	(127,587)	-
<b>Total Support and Revenue</b>	<b>6,118,991</b>	<b>(72,881)</b>	<b>6,046,110</b>
<b>Expenses</b>			
Program services	5,442,252	-	5,442,252
Supporting services			
Management and general	531,106	-	531,106
Fundraising	1,177,866	-	1,177,866
<b>Total Expenses</b>	<b>7,151,224</b>	<b>-</b>	<b>7,151,224</b>
<b>Deficiency of Support and Revenue over Expenses</b>	<b>(1,032,233)</b>	<b>(72,881)</b>	<b>(1,105,114)</b>
<b>Forgiveness of Notes Payable</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Value of Beneficial Interest in Trusts</b>	<b>-</b>	<b>57,766</b>	<b>57,766</b>
<b>Changes in Net Assets</b>	<b>\$ (1,032,233)</b>	<b>\$ (15,115)</b>	<b>\$ (1,047,348)</b>

**York Union Rescue Mission, Inc. and Subsidiary  
d/b/a LifePath Christian Ministries and Subsidiary**

Consolidated Statement of Activities (continued)

	Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Totals
<b>Support and Revenue</b>			
Contributions	\$ 2,492,385	\$ 88,845	\$ 2,581,230
Thrift store sales	2,200,527	-	2,200,527
In-kind contributions	1,205,547	-	1,205,547
Other income	74,904	-	74,904
Fundraising	-	-	-
Gain on sale of property and equipment	75	-	75
Interest income	1,003	46	1,049
Net assets released from restrictions	60,830	(60,830)	-
<b>Total Support and Revenue</b>	<b>6,035,271</b>	<b>28,061</b>	<b>6,063,332</b>
<b>Expenses</b>			
Program services	4,741,055	-	4,741,055
Supporting services			
Management and general	487,821	-	487,821
Fundraising	995,001	-	995,001
<b>Total Expenses</b>	<b>6,223,877</b>	<b>-</b>	<b>6,223,877</b>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	<b>(188,606)</b>	<b>28,061</b>	<b>(160,545)</b>
<b>Forgiveness of Notes Payable</b>	<b>138,600</b>	<b>-</b>	<b>138,600</b>
<b>Change in Value of Beneficial Interest in Trusts</b>	<b>-</b>	<b>(233,130)</b>	<b>(233,130)</b>
<b>Changes in Net Assets</b>	<b>\$ (50,006)</b>	<b>\$ (205,069)</b>	<b>\$ (255,075)</b>

See accompanying notes.



**York Union Rescue Mission, Inc. and Subsidiary  
d/b/a LifePath Christian Ministries and Subsidiary**

Consolidated Statement of Changes in Net Assets

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Totals</b>
<b>Net Assets at June 30, 2021</b>	\$ 2,776,909	\$ 1,367,286	\$ 4,144,195
Changes in net assets	<u>(50,006)</u>	<u>(205,069)</u>	<u>(255,075)</u>
<b>Net Assets at June 30, 2022</b>	2,726,903	1,162,217	3,889,120
Changes in net assets	<u>(1,032,233)</u>	<u>(15,115)</u>	<u>(1,047,348)</u>
<b>Net Assets at June 30, 2023</b>	<u><u>\$ 1,694,670</u></u>	<u><u>\$ 1,147,102</u></u>	<u><u>\$ 2,841,772</u></u>

# **York Union Rescue Mission, Inc. and Subsidiary** **d/b/a LifePath Christian Ministries and Subsidiary**

Consolidated Statement of Functional Expenses - by Natural Classification

Year Ended June 30, 2023

	Program Services				Supporting Services		
	Shelter	Thrft	Food		Management and General	Fundraising	Total
			Services	Total			
Salaries and wages	\$ 871,800	\$ 965,477	\$ 270,010	\$ 2,107,287	\$ 254,198	\$ 247,962	\$ 2,609,447
Supplies	140,611	96,517	1,173,447	1,410,575	11,711	12,414	1,434,700
Promotion and development	-	21,523	-	21,523	-	648,546	670,069
Rent expense	-	464,982	18,532	483,514	960	1,440	485,914
Utilities	79,824	155,101	21,464	256,389	14,396	-	270,785
Employee benefits	106,046	46,448	32,844	185,338	30,921	30,162	246,421
Professional fees	4,074	30,448	925	35,447	79,180	125,816	240,443
Payroll taxes	65,179	91,328	20,187	176,694	19,005	18,538	214,237
Repairs and maintenance	66,696	63,376	14,799	144,871	19,312	2,487	166,670
Depreciation and amortization	72,641	14,352	22,498	109,491	21,181	20,661	151,333
Insurance	41,289	58,846	12,788	112,923	12,039	11,744	136,706
Management fees	-	121,098	-	121,098	-	-	121,098
Travel and vehicle repairs and maintenance	45	50,889	8,800	59,734	10,222	9	69,965
Miscellaneous	17,475	25,085	11,366	53,926	6,187	86	60,199
Bank fees	-	49,950	-	49,950	1,019	4,558	55,527
Dues and subscriptions	7,836	-	2,187	10,023	11,419	24,220	45,662
Taxes and licenses	359	8,764	71	9,194	25,477	-	34,671
Telephone	1,597	22,789	570	24,956	5,729	1,410	32,095
Other program services	28,231	-	1,767	29,998	-	-	29,998
Recycling	-	22,200	-	22,200	-	-	22,200
Fundraising	-	-	-	-	-	21,948	21,948
Meals and entertainment	285	4,755	142	5,182	1,626	1,615	8,423
Permits and fees	4,851	-	500	5,351	103	2,550	8,004
Education and training	2,071	-	2,270	4,341	1,565	1,700	7,606
Interest	193	2,054	-	2,247	4,856	-	7,103
	\$ 1,511,103	\$ 2,315,982	\$ 1,615,167	\$ 5,442,252	\$ 531,106	\$ 1,177,866	\$ 7,151,224

See accompanying notes.

**York Union Rescue Mission, Inc. and Subsidiary  
d/b/a LifePath Christian Ministries and Subsidiary**

Consolidated Statement of Functional Expenses - by Natural Classification (continued)

Year Ended June 30, 2022

	Program Services				Supporting Services		
	Shelter	Thrft	Food		Management and General	Fundraising	Total
			Services	Total			
Salaries and wages	\$ 696,192	\$ 874,486	\$ 232,833	\$ 1,803,511	\$ 225,659	\$ 192,905	\$ 2,222,075
Supplies	111,654	38,815	1,130,972	1,281,441	13,015	9,779	1,304,235
Promotion and development	-	24,484	-	24,484	-	553,216	577,700
Rent expense	-	392,859	17,532	410,391	1,040	920	412,351
Utilities	67,370	127,374	17,282	212,026	14,896	-	226,922
Employee benefits	94,006	55,894	31,439	181,339	30,470	26,048	237,857
Professional fees	2,764	26,697	150	29,611	60,193	123,568	213,372
Payroll taxes	52,051	83,526	17,408	152,985	16,871	14,423	184,279
Repairs and maintenance	69,997	37,004	38,781	145,782	37,199	-	182,981
Depreciation and amortization	63,506	9,021	21,239	93,766	20,584	17,596	131,946
Insurance	33,445	50,562	11,185	95,192	10,840	9,268	115,300
Management fees	-	113,260	-	113,260	-	-	113,260
Travel and vehicle repairs and maintenance	41	48,862	6,073	54,976	4,583	1,954	61,513
Miscellaneous	16,050	11,655	9,910	37,615	1,289	2,021	40,925
Bank fees	-	42,523	-	42,523	907	5,127	48,557
Dues and subscriptions	5,804	-	815	6,619	11,342	20,813	38,774
Taxes and licenses	129	3,081	71	3,281	25,151	-	28,432
Telephone	1,676	20,077	522	22,275	5,808	870	28,953
Other program services	5,028	-	-	5,028	-	-	5,028
Recycling	-	14,352	-	14,352	-	-	14,352
Fundraising	-	-	-	-	-	13,107	13,107
Meals and entertainment	666	2,914	-	3,580	728	2,059	6,367
Permits and fees	2,850	-	440	3,290	-	-	3,290
Education and training	1,218	-	1,067	2,285	5,851	1,327	9,463
Interest	367	1,076	-	1,443	1,395	-	2,838
	<u>\$ 1,224,814</u>	<u>\$ 1,978,522</u>	<u>\$ 1,537,719</u>	<u>\$ 4,741,055</u>	<u>\$ 487,821</u>	<u>\$ 995,001</u>	<u>\$ 6,223,877</u>

See accompanying notes.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

Consolidated Statement of Cash Flows

	Years Ended June 30,	
	2023	2022
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ (1,047,348)	\$ (255,075)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation and amortization	151,333	131,946
Gain on sale of property and equipment	(14,273)	(75)
Change in value of beneficial interest in trusts	(57,766)	233,130
In-kind contribution - contributed property and equipment	-	(15,000)
Contributions restricted for capital expenditures	(25,000)	(40,000)
Amortization of right-of-use assets - operating leases included in rent expense	184,670	-
Forgiveness of notes payable	-	(138,600)
(Increase) decrease in assets		
Accounts receivable	203	(1,390)
Prepaid expenses	14,295	(13,143)
Gift cards	1,751	3,977
Increase (decrease) in liabilities		
Accounts payable	63,881	68,883
Accrued payroll and compensated absences	(3,252)	(12,728)
Deferred revenue	(1,788)	(11,600)
Obligations under operating leases	(175,958)	-
<b>Net Cash Used in Operating Activities</b>	<b>(909,252)</b>	<b>(49,675)</b>
<b>Cash Flows from Investing Activities</b>		
Capital expenditures	(182,468)	(143,538)
Proceeds on sale of property and equipment	45,713	75
<b>Net Cash Used in Investing Activities</b>	<b>(136,755)</b>	<b>(143,463)</b>
<b>Cash Flows from Financing Activities</b>		
Net change in lines of credit	81,537	14,847
Principal payments on obligations under finance/capital leases	(7,787)	(15,719)
Contributions restricted for capital expenditures	25,000	40,000
<b>Net Cash Provided by Financing Activities</b>	<b>98,750</b>	<b>39,128</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(947,257)</b>	<b>(154,010)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>1,531,203</b>	<b>1,685,213</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 583,946</b>	<b>\$ 1,531,203</b>
<b>Cash is Comprised of the Following on the Statement of Consolidated Financial Position</b>		
Cash and cash equivalents	\$ 495,813	\$ 1,370,189
Restricted cash	88,133	161,014
	<b>\$ 583,946</b>	<b>\$ 1,531,203</b>

See accompanying notes.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Consolidated Statement of Cash Flows (continued)

	Years Ended June 30,	
	2023	2022
<b>Supplementary Cash Flow Information</b>		
Interest paid	<u>\$ 7,103</u>	<u>\$ 2,838</u>

**Supplementary Schedule of Noncash Investing and  
Financing Activities**

**In 2023**

In conjunction with the adoption of Accounting Standards Codification Topic 842, *Leases*, right-of-use assets - operating leases and a corresponding operating lease liability of \$792,251 was recorded for facility and equipment leases and assets of \$37,950 were reclassified from property and equipment net, to right-of-use assets - financing. Additionally, right-of-use assets - operating leases and an operating lease liability of \$445,824 was recorded during the year ended June 30, 2023.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 1 - Nature of Operations**

York Union Rescue Mission, Inc. d/b/a LifePath Christian Ministries (the Mission) was incorporated in March 1962 as a religious and charitable nonprofit corporation. The Mission's primary source of support and revenue is contributions. The charter of the Mission sets forth the following purpose:

To maintain a nonsectarian organization for the advancement of the Kingdom of God through the Gospel of Jesus Christ and to do missionary, relief, and rescue work of all kinds in York and the surrounding area, and such other places that the Board of Directors may deem advisable.

The Mission's primary focus is to provide shelter services, which includes providing emergency shelter and food for homeless men, transient men, and senior foster care, as well as counseling and spiritual recovery sessions for those recovering from alcohol and drug addictions, to assist them on the road back to a productive life. Additionally, shelter services include providing emergency shelter and food for homeless women and children. The Mission runs programming designed to help women grow spiritually and to develop the skills needed to flourish personally and in the community.

In June 2018, the Mission created a wholly-owned subsidiary called LifePath Thrift Stores, LLC (the Company). The Mission is the sole member of the Company and has the power to choose the governance structure of the Company. The Company was established to own and operate the Mission's thrift stores in a commercial manner. The Mission provides administration, oversight, and back office and other support, as necessary, to support the Company's operations that are consistent with the Mission's purposes. The Company took over operating the thrift stores effective August 1, 2018.

For the purpose of these consolidated financial statements, the entities described above are collectively referred to as the Organization.

**Note 2 - Summary of Significant Accounting Policies**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

**Use of Estimates**

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Principles of Consolidation**

The consolidated financial statements include the accounts of York Union Rescue Mission d/b/a LifePath Christian Ministries and its wholly owned subsidiary LifePath Thrift Stores, LLC (collectively referred to as the Organization). Any significant intercompany balances and transactions are eliminated in consolidation.

**Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP. Under the accrual basis of accounting, support and revenue are recognized when earned and expenses are recognized when incurred.

**Cash and Cash Equivalents**

The Organization considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are stated at outstanding balances. The Organization considers accounts receivable to be fully collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

**Property and Equipment**

Property and equipment are stated at cost if purchased, or at the estimated fair market value at the date of gift if contributed. Property and equipment are depreciated or amortized using the straight-line method over the estimated average useful lives of the assets or the lease term, whichever is shorter, as follows: buildings and improvements, five to thirty-nine years; transportation equipment, five years; furniture and equipment, five to ten years; and leasehold improvements, five years. Land and construction in progress are not depreciated. When property and equipment are retired or sold, the cost and applicable accumulated depreciation are removed from the respective accounts and the related gain or loss is reflected in earnings.

The Organization's policy is to capitalize property and equipment expenditures of \$2,500 or more.

Maintenance, repairs, and minor renewals that do not significantly improve or extend the lives of the respective assets are charged to operations when incurred. Additions, improvements, and major renewals are capitalized.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Long-Lived Assets**

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Fair value estimates are based on assumptions concerning the amount and timing of estimated future cash flows and discount rates reflecting varying degrees of perceived risk. Management has concluded that no impairment adjustments were required during the years ended June 30, 2023 and 2022.

**Right-of-Use Assets and Liabilities**

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Codification (ASC) Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the statement of activities. The Organization adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period consolidated financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Organization's historical accounting treatment under ASC Topic 840, *Leases*.

The Organization elected the "package of practical expedients" under the transition guidance within Topic 842, in which the Organization does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Organization has not elected to adopt the "hindsight" practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on July 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.



**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Right-of-Use Assets and Liabilities (continued)**

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

Adoption of Topic 842 resulted in the recording of an additional ROU asset and lease liability related to the Organization's operating leases of approximately \$792,251 at July 1, 2022. The adoption of the new lease standard did have a material impact to the consolidated statement of financial position, but did not materially impact changes in the Organization's net assets or cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

**Net Assets**

Net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that are restricted for a specified purpose or passage of time or are restricted in perpetuity.

**Revenue Recognition**

**Contributions**

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Revenue Recognition (continued)**

**Contributions (continued)**

All contributions are considered to be available for operations unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as support with donor restrictions that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

**Thrift Store Sales**

The Organization operates a retail operation where thrift store merchandise, including clothing, home furnishings, and other miscellaneous items are donated and then sold to the community at a greatly reduced price. Revenue is recognized by the Organization at the time the goods are sold. Thrift store merchandise that the Organization acquired through donations are not recorded in the accompanying consolidated financial statements. U.S. GAAP requires gifts to be recorded at the estimated fair value at the date of receipt. Management has determined the fair market value of these items to be equal to the sales price and recognizes revenue upon the sale of those materials. As management has determined that the donated materials have no value unless sold, no inventory is recorded. Costs associated with operation of the store are expensed in program services in the accompanying consolidated statement of activities and consolidated statement of functional expenses - by natural classification.

**Functional Expense Classification**

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the consolidated statement of activities and consolidated statement of functional expenses - by natural classification. Accordingly, certain costs have been allocated among the program and supporting services benefited. Supporting services include management and general and fundraising expenses. Expenses require allocation on a reasonable basis that is consistently applied. Expenses are generally allocated on the basis of estimates of time and effort.

**Donated or Contributed Investments, Services, or Materials**

Donated or contributed investments, services, or materials meeting the criteria for recognition, are reflected in the consolidated financial statements as in-kind contributions at their estimated value on the date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at the fair value when received.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising expense amounted to \$27,203 and \$24,484 for the years ended June 30, 2023 and 2022, respectively.

**Note 3 - Tax-Exempt Status**

The Mission is a nonprofit entity described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code. In addition, the Mission was organized under the Pennsylvania Nonprofit Corporation Law and is exempt from state income taxes.

The Company is a single member limited liability company, and was structured as a disregarded entity for federal, state, and local income tax purposes. Accordingly, no provision for income taxes is made in the consolidated financial statements.

U.S. GAAP requires management to evaluate tax positions taken by the Organization, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that the Organization has taken no uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before June 30, 2020.

**Note 4 - Liquidity and Availability**

Financial assets available for general expenditures, that is, without donor restrictions or other designations limiting their use, within one year of the date of the consolidated statement of financial position, comprise the following as of June 30:

	<u>2023</u>	<u>2022</u>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 495,813	\$ 1,370,189
Accounts receivable	15,517	15,720
Restricted cash	88,133	161,014
Distributions from beneficial interest in trusts	<u>42,432</u>	<u>56,226</u>
<b>Total Financial Assets</b>	<b>641,895</b>	<b>1,603,149</b>
<b>Less Amounts that are Internally Designated or Externally Restricted</b>		
Donor-imposed restrictions		
Cash subject to donor restrictions	<u>(88,133)</u>	<u>(161,014)</u>
<b>Financial Assets Available to be Used Within One Year</b>	<u><b>\$ 553,762</b></u>	<u><b>\$ 1,442,135</b></u>

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 4 - Liquidity and Availability (continued)**

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

As of June 30, 2023 and 2022, cash subject to donor restrictions includes donor-restricted endowment funds of \$23,302 and \$66,927, respectively. The Organization's endowment includes a donor-restricted endowment fund. Income from the fund is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditures.

The Organization also has lines of credit available to meet short-term obligations if needed (refer to Note 9).

**Note 5 - Property and Equipment**

Property and equipment consists of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Buildings and improvements	\$ 3,196,375	\$ 3,103,872
Furniture and equipment	687,659	675,778
Land *	30,919	54,059
Transportation equipment	50,743	50,743
Leasehold improvements	61,259	29,425
	<u>4,026,955</u>	<u>3,913,877</u>
Accumulated depreciation and amortization	<u>(2,487,898)</u>	<u>(2,336,565)</u>
	<u>\$ 1,539,057</u>	<u>\$ 1,577,312</u>

\* Not depreciated

**Note 6 - Beneficial Interest in Trusts**

Beneficial interest in trusts consist of beneficial interests in perpetual trusts and a charitable remainder trust.

For beneficial interests in perpetual trusts, the Mission is the beneficiary of several perpetual trusts held by a third party. Under the terms of the trusts, the Mission has the irrevocable right to receive the income generated by the trusts in perpetuity. The beneficial interests in perpetual trusts are recorded at fair value. Changes in net assets of trusts are recorded as gains or losses (change in value of beneficial interest in trusts) on the consolidated statement of activities. Net assets and changes in the net assets are recorded as net assets with donor restrictions. Distributions received from these trusts are recorded in the consolidated statement of activities as contributions without donor restrictions.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 6 - Beneficial Interest in Trusts (continued)**

For beneficial interest in charitable remainder trust, a donor established and funded a trust under which specified distributions are made to designated beneficiaries over the trust's terms. Upon termination of the trust, the Mission will receive a portion of the assets remaining in the trust. Beneficial interest in charitable remainder trust is recorded at the fair value of the Mission's share of the trust's assets net of the present value of the estimated future payments to be made under the specific terms of the trust. The change in net assets of the trust is recorded as a gain or loss (change in value of beneficial interest in trusts) in the consolidated statement of activities. Net assets and changes in the net assets of the trust are recorded as net assets with donor restrictions.

As of June 30, 2023 and 2022, the Mission's beneficiary interest allocations in perpetual trusts and charitable remainder trust range from 8.3% to 25.0%.

The carrying value of beneficial interest in trusts is as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Perpetual trusts	\$ 978,568	\$ 955,958
Charitable remainder trust	<u>80,401</u>	<u>45,245</u>
	<u>\$ 1,058,969</u>	<u>\$ 1,001,203</u>

**Note 7 - Fair Value of Financial Instruments**

The fair value hierarchy prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 - Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 7 - Fair Value of Financial Instruments (continued)**

The following valuation technique was used to measure fair value of assets in the tables below on a recurring basis:

Beneficial interest in trusts - The beneficial interest in trusts are valued at fair value based on the Mission's interest in the fair values of the underlying assets, which approximate the present value of estimated cash flows to be received from the trusts. The present value measured is utilized as the underlying assets of each individual trust and is not in the control of the Mission.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Mission believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

For assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy are as follows as of June 30:

2023				
	Total	Level 1	Level 2	Level 3
<b>Beneficial Interest in Trusts</b>				
Perpetual trusts	\$ 978,568	\$ -	\$ -	\$ 978,568
Charitable remainder trust	80,401	-	-	80,401
	<u>\$ 1,058,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,058,969</u>
2022				
<b>Beneficial Interest in Trusts</b>				
Perpetual trusts	\$ 955,958	\$ -	\$ -	\$ 955,958
Charitable remainder trust	45,245	-	-	45,245
	<u>\$ 1,001,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,001,203</u>

**Changes in Fair Value Levels**

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2023 and 2022, there were no transfers in or out of Level 3.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 8 - Endowment**

The Mission's endowment consists of a fund that was established by a donor to be invested in perpetuity. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant State Law**

The Board of Directors of the Mission has interpreted the relevant state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Mission classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Unless specifically defined by a donor-restricted endowment fund required by donor stipulation, the Mission considers the following factors in making a determination to accumulate or appropriate endowment funds:

- A. The duration and preservation of the fund
- B. The purposes of the donor-restricted endowment fund
- C. General economic conditions
- D. The possible effect of inflation and deflation
- E. The expected total return from interest and dividend income and appreciation of investments
- F. Other resources of the Mission
- G. The investment policies of the Mission

The following schedule represents the endowment net asset composition by type of endowment fund as of June 30:

	<u>2023</u>	<u>2022</u>
Endowment funds with donor restrictions	<u>\$ 23,302</u>	<u>\$ 66,927</u>

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 8 - Endowment (continued)**

The following schedule represents the changes in endowment net assets with donor restrictions for the years ended June 30:

	<u>2023</u>	<u>2022</u>
<b>Endowment Net Assets With Donor Restrictions at Beginning of Year</b>	<b>\$ 66,927</b>	<b>\$ 76,058</b>
Investment return		
Interest and dividend income, net	<b>450</b>	46
Distributions	<u><b>(44,075)</b></u>	<u>(9,177)</u>
<b>Endowment Net Assets With Donor Restrictions at End of Year</b>	<u><b>\$ 23,302</b></u>	<u><b>\$ 66,927</b></u>

**Funds with Deficiencies**

The relevant state law has no requirement to restore permanent fund deficiencies and accounting standards provide that the generally accepted rule of reporting such deficiencies as net assets without donor restrictions should be applied only in the absences of donor stipulations or laws to the contrary. The Mission has interpreted state law to allow spending of the original principal with no requirement to restore fund deficiencies to the original value. As such, the Mission has no underwater endowments as of June 30, 2023 and 2022. Any fund deficiencies are reported as reductions to net assets with donor restrictions.

The endowment assets are invested in a manner that is intended to produce results and allow the Mission to fund programming and operations while assuming a moderate level of investment risk in order to preserve the endowment's long-term value. The Mission relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Board of Directors approves disbursements from the funds on a specific need basis.

**Note 9 - Lines of Credit**

The Mission has a line of credit agreement with a bank, which provides for borrowings of up to \$100,000. The line of credit is uncollateralized and bears interest at the bank's prime rate, plus 3.00%, with a floor of 5.00%. The interest rate was 11.25% and 7.75% as of June 30, 2023 and 2022, respectively. The line of credit is payable upon demand. As of June 30, 2023 and 2022, borrowings against the line of credit amounted to \$98,786 and \$27,807, respectively.

The Company also has a line of credit agreement with a bank, which provides for borrowings of up to \$15,000. The line of credit is uncollateralized and bears interest at the bank's prime rate, plus 5.00%, with a floor of 10.25%. The interest rate was 13.25% and 10.25% as of June 30, 2023 and 2022, respectively. The line of credit is payable upon demand. As of June 30, 2023 and 2022, borrowings against the line of credit amounted to \$10,558 and \$-0-, respectively.



**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 9 - Lines of Credit (continued)**

In September 2022, the Company entered into a second line of credit agreement with a bank, which provides for borrowings of up to \$25,000. The line of credit is collateralized by substantially all assets of the Company and bears interest at the bank's prime rate, plus 1.00%, with a floor of 5.00% (9.25% as of June 30, 2023). There were no borrowings against the line of credit as of June 30, 2023.

**Note 10 - Leases**

The Company leases thrift store facilities and equipment from unrelated third parties under operating lease agreements. The operating lease agreements have initial terms ranging from three to six years. Some leases include one or more options to renew. The options to extend or renew a lease are included in the lease terms when it is reasonably certain that the Company will exercise that option. Additionally, certain leases contain termination options, where the rights to terminate are held by either the Company, the lessor, or both parties. The Company's leases generally do not contain any material restrictive covenants or residual value guarantees. The leases require monthly payments with various maturity dates. The Company is also responsible for common area maintenance fees (CAM) for certain leases. Fixed payments related to long-term operating lease agreements amounted to \$209,388 for the year ended June 30, 2023. The Company uses the applicable risk free rate as the discount rate for its real estate and equipment leases. The weighted-average remaining lease term is 4.32 years and the weighted-average discount rate is 3.12%.

The Organization also has operating lease agreements for facilities and other equipment on a short-term basis. These leases are considered short-term in nature.

Additionally, the Mission leases certain office equipment under finance lease agreements (prior to July 1, 2022, they were treated as capital leases in accordance with ASC Topic 840, *Leases*) with terms of five years and interest rates ranging from 3.25% to 5.50%. The weighted average remaining lease term is 1.97 years and the weighted-average discount rate is 3.56%.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term. The components of operating lease cost are as follows for the year ended June 30, 2023:

Operating lease cost	\$	218,100
CAM charges		152,825
Short-term lease cost		116,306
Finance lease cost - amortization of right-of-use assets		7,590
Finance lease cost - interest on lease liabilities		642
<b>Total Lease Cost</b>	<b>\$</b>	<b>495,463</b>

Total rent expense and CAM charges for operating leases were \$487,231 and \$412,351 for the years ended June 30, 2023 and 2022, respectively.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 10 - Leases (continued)**

Assuming no change in current terms, future undiscounted cash flows for each of the remaining five years and a reconciliation to the lease liabilities recognized on the consolidated statement of financial position are as follows as of June 30:

	<b>Operating Leases</b>	<b>Financing Leases</b>
2024	\$ 266,150	\$ 7,074
2025	253,010	5,191
2026	258,340	1,297
2027	260,222	-
2028	99,522	-
<b>Total Lease Payment</b>	<b>1,137,244</b>	<b>13,562</b>
Imputed interest	(75,127)	(868)
<b>Total Present Value of Lease Liabilities</b>	<b>\$ 1,062,117</b>	<b>\$ 12,694</b>
Current portion of obligations under operating and capital/finance leases	\$ 234,930	\$ 6,733
Long-term portion of obligations under operating and capital/finance leases	827,187	5,961
	<b>\$ 1,062,117</b>	<b>\$ 12,694</b>

An analysis of leased property under finance/capital leases consists of the following as of and for the years ended June 30:

	<b>2023</b>	<b>2022</b>
Office equipment	\$ 23,927	\$ 23,927
Security equipment	14,023	14,023
	<b>37,950</b>	<b>37,950</b>
Accumulated amortization	(25,313)	(17,723)
	<b>\$ 12,637</b>	<b>\$ 20,227</b>
Amortization expense	<b>\$ 7,590</b>	<b>\$ 7,590</b>

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 11 - Notes Payable**

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act which established the Paycheck Protection Program (the Program). The Program was created to assist small businesses in paying their employees and certain other expenses during the COVID-19 crisis. The Company applied for a loan under this Program and received from Traditions Bank a loan in the amount of \$138,600 on May 5, 2020. The loan was forgivable if certain criteria was met, as established under the Program. In November 2021, the Company was notified by their bank that the loan had been forgiven in full by the Small Business Administration.

**Note 12 - Commitments**

The Company has an operating agreement with SMCo Thrift, LLC for management services for the thrift stores. Under the terms of the contract, the Company pays SMCo Thrift, LLC a management fee equal to the greater of 5.00% of the gross sales of the thrift stores, or \$4,000, plus transportation expenses to and from York, Pennsylvania. Terms of the original agreement extend through May 31, 2021. The agreement continued on a month-to-month basis through July 31, 2022 when it was renewed for an additional two-year term effective August 1, 2022 through July 31, 2024. Either party may terminate this agreement up to 60 days' prior written notice to the other party.

**Note 13 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	<u>2023</u>	<u>2022</u>
<b>Subject to Expenditure for a Specified Purpose</b>		
Cash - food services	\$ 36,083	\$ 4,336
Cash - mobile work/education station	10,550	-
Cash - training	6,350	-
Cash - website design	6,030	40,000
Cash - other	3,888	1,355
Cash - shelter improvements	1,930	48,396
<b>Subject to the Passage of Time</b>		
Beneficial interest in charitable remainder trust	80,401	45,245
<b>Perpetual in Nature</b>		
Beneficial interest in perpetual trusts	978,568	955,958
Cash - endowment	23,302	66,927
	<u>\$ 1,147,102</u>	<u>\$ 1,162,217</u>

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 14 - In-Kind Contributions**

In-kind contributions meeting the requirements for recognition in the consolidated statement of activities consist of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Food service supplies	\$ 1,117,198	\$ 1,090,526
Shelter supplies	97,630	87,466
Other supplies	16,315	12,555
Contributed property and equipment	<u>-</u>	<u>15,000</u>
	<u>\$ 1,231,143</u>	<u>\$ 1,205,547</u>

Contributed food service supplies recognized is comprised of donations of food to be used to provide meals to men, women, and children receiving emergency shelter services as well as providing meals, served free, to those in need in the community. There are no associated donor restrictions related to the donations. Contributed food service supplies are reported at the estimated fair value determined by multiplying the weight of food donated by rates set by the Bureau of Labor Statistics, U.S. Department of Labor.

Contributed supplies recognized are comprised of donations of miscellaneous supplies to be used for various programs and supporting services. There are no associated donor restrictions related to the donations. Contributed supplies are reported at the estimated fair value based on the value that would be paid for purchasing similar products.

Contributed property and equipment recognized are comprised of donations of equipment to be used for various program activities. There are no associated donor restrictions related to the donations. In valuing the contributed property and equipment, the Organization estimated the fair value on the basis of comparable sales prices.

In addition to the in-kind contribution amounts recorded in the consolidated financial statements, during the years ended June 30, 2023 and 2022, a substantial number of individual volunteers have donated significant amounts of time to the Organization's programs and supporting services. These services do not meet the criteria for recognition as contributed services, and are not reflected on the accompanying consolidated financial statements.

**Note 15 - Concentrations of Cash and Credit Risks**

At times during the years ended June 30, 2023 and 2022, the Organization's cash balances may have exceeded the federally insured limit of \$250,000.

**Note 16 - Reclassifications**

Certain information in the 2022 consolidated financial statements and related footnotes contain reclassifications necessary to make that information comparable to information presented in the 2023 consolidated financial statements. There was no change to total changes in net assets or total net assets as a result of these reclassifications.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

---

Notes to Consolidated Financial Statements  
June 30, 2023 and 2022

**Note 17 - Subsequent Events**

The Organization has evaluated subsequent events through January 16, 2024. This date is the date the consolidated financial statements were available to be issued. No material events subsequent to June 30, 2023 were noted.

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

Consolidating Schedule - Financial Position Information

	June 30, 2023			
	LifePath Christian Ministries	LifePath Thrift Stores, LLC	Eliminations	Totals
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 447,004	\$ 48,809	\$ -	\$ 495,813
Accounts receivable	30,951	-	(15,434)	15,517
Prepaid expenses	29,936	12,669	-	42,605
Gift cards	19,212	-	-	19,212
<b>Total Current Assets</b>	<b>527,103</b>	<b>61,478</b>	<b>(15,434)</b>	<b>573,147</b>
<b>Property and Equipment, Net</b>	<b>1,456,881</b>	<b>82,176</b>	<b>-</b>	<b>1,539,057</b>
<b>Other Assets</b>				
Restricted cash	88,133	-	-	88,133
Beneficial interest in trusts	1,058,969	-	-	1,058,969
Right-of-use assets - financing leases	37,950	-	-	37,950
Right-of-use assets - operating leases	-	1,053,405	-	1,053,405
<b>Total Other Assets</b>	<b>1,185,052</b>	<b>1,053,405</b>	<b>-</b>	<b>2,238,457</b>
<b>Total Assets</b>	<b>\$ 3,169,036</b>	<b>\$ 1,197,059</b>	<b>\$ (15,434)</b>	<b>\$ 4,350,661</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Lines of credit	\$ 98,786	\$ 10,558	\$ -	\$ 109,344
Accounts payable	171,328	79,395	(15,434)	235,289
Accrued payroll and compensated absences	63,513	25,932	-	89,445
Deferred revenue	-	-	-	-
Current portion of obligations under finance/capital leases	6,733	-	-	6,733
Current portion of obligations under operating leases	-	234,930	-	234,930
<b>Total Current Liabilities</b>	<b>340,360</b>	<b>350,815</b>	<b>(15,434)</b>	<b>675,741</b>
<b>Long-Term Liabilities</b>				
Obligations under finance/capital leases	5,961	-	-	5,961
Obligations under operating leases	-	827,187	-	827,187
<b>Total Long-Term Liabilities</b>	<b>5,961</b>	<b>827,187</b>	<b>-</b>	<b>833,148</b>
<b>Total Liabilities</b>	<b>346,321</b>	<b>1,178,002</b>	<b>(15,434)</b>	<b>1,508,889</b>
<b>Net Assets</b>				
Without donor restrictions	1,675,613	19,057	-	1,694,670
With donor restrictions	1,147,102	-	-	1,147,102
<b>Total Net Assets</b>	<b>2,822,715</b>	<b>19,057</b>	<b>-</b>	<b>2,841,772</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,169,036</b>	<b>\$ 1,197,059</b>	<b>\$ (15,434)</b>	<b>\$ 4,350,661</b>

**York Union Rescue Mission, Inc. and Subsidiary  
d/b/a LifePath Christian Ministries and Subsidiary**

Consolidating Schedule - Financial Position Information (continued)

	June 30, 2022			
	LifePath Christian Ministries	LifePath Thrift Stores, LLC	Eliminations	Totals
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 1,311,269	\$ 58,920	\$ -	\$ 1,370,189
Accounts receivable	29,560	8,161	(22,001)	15,720
Prepaid expenses	43,785	13,115	-	56,900
Gift cards	20,963	-	-	20,963
<b>Total Current Assets</b>	<b>1,405,577</b>	<b>80,196</b>	<b>(22,001)</b>	<b>1,463,772</b>
<b>Property and Equipment, Net</b>	<b>1,525,594</b>	<b>51,718</b>	<b>-</b>	<b>1,577,312</b>
<b>Other Assets</b>				
Restricted cash	161,014	-	-	161,014
Beneficial interest in trusts	1,001,203	-	-	1,001,203
Right-of-use assets - financing leases	-	-	-	-
Right-of-use assets - operating leases	-	-	-	-
<b>Total Other Assets</b>	<b>1,162,217</b>	<b>-</b>	<b>-</b>	<b>1,162,217</b>
<b>Total Assets</b>	<b>\$ 4,093,388</b>	<b>\$ 131,914</b>	<b>\$ (22,001)</b>	<b>\$ 4,203,301</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Lines of credit	\$ 27,807	\$ -	\$ -	\$ 27,807
Accounts payable	164,281	29,128	(22,001)	171,408
Accrued payroll and compensated absences	71,390	21,307	-	92,697
Deferred revenue	-	1,788	-	1,788
Current portion of obligations under finance/capital leases	7,774	-	-	7,774
Current portion of obligations under operating leases	-	-	-	-
<b>Total Current Liabilities</b>	<b>271,252</b>	<b>52,223</b>	<b>(22,001)</b>	<b>301,474</b>
<b>Long-Term Liabilities</b>				
Obligations under finance/capital leases	12,707	-	-	12,707
Obligations under operating leases	-	-	-	-
<b>Total Long-Term Liabilities</b>	<b>12,707</b>	<b>-</b>	<b>-</b>	<b>12,707</b>
<b>Total Liabilities</b>	<b>283,959</b>	<b>52,223</b>	<b>(22,001)</b>	<b>314,181</b>
<b>Net Assets</b>				
Without donor restrictions	2,647,212	79,691	-	2,726,903
With donor restrictions	1,162,217	-	-	1,162,217
<b>Total Net Assets</b>	<b>3,809,429</b>	<b>79,691</b>	<b>-</b>	<b>3,889,120</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,093,388</b>	<b>\$ 131,914</b>	<b>\$ (22,001)</b>	<b>\$ 4,203,301</b>

**York Union Rescue Mission, Inc. and Subsidiary  
d/b/a LifePath Christian Ministries and Subsidiary**

Consolidating Schedule - Activities Information

Year Ended June 30, 2023

	Without Donor Restrictions				With Donor Restrictions	
	LifePath Christian Ministries	LifePath Thrft Stores, LLC	Eliminations	Total	LifePath Christian Ministries	Total
<b>Support and Revenue</b>						
Contributions	\$ 2,293,278	\$ -	\$ -	\$ 2,293,278	\$ 54,256	\$ 2,347,534
Thrft store sales	-	2,318,855	-	2,318,855	-	2,318,855
In-kind contributions	1,231,143	-	-	1,231,143	-	1,231,143
Other income	112,992	12,547	(34,076)	91,463	-	91,463
Fundraising	33,503	-	-	33,503	-	33,503
Gain on sale of property and equipment	14,273	-	-	14,273	-	14,273
Interest income	8,867	22	-	8,889	450	9,339
Rental income	42,000	-	(42,000)	-	-	-
Billed to Company	-	-	-	-	-	-
Net assets released from restrictions	127,587	-	-	127,587	(127,587)	-
<b>Total Support and Revenue</b>	<b>3,863,643</b>	<b>2,331,424</b>	<b>(76,076)</b>	<b>6,118,991</b>	<b>(72,881)</b>	<b>6,046,110</b>
<b>Expenses</b>						
Program services	3,126,270	2,392,058	(76,076)	5,442,252	-	5,442,252
Supporting services						
Management and general	531,106	-	-	531,106	-	531,106
Fundraising	1,177,866	-	-	1,177,866	-	1,177,866
<b>Total Expenses</b>	<b>4,835,242</b>	<b>2,392,058</b>	<b>(76,076)</b>	<b>7,151,224</b>	<b>-</b>	<b>7,151,224</b>
<b>Deficiency of Support and Revenue over Expenses</b>	<b>(971,599)</b>	<b>(60,634)</b>	<b>-</b>	<b>(1,032,233)</b>	<b>(72,881)</b>	<b>(1,105,114)</b>
<b>Forgiveness of Notes Payable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Value of Beneficial Interest in Trusts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,766</b>	<b>57,766</b>
<b>Changes in Net Assets</b>	<b>\$ (971,599)</b>	<b>\$ (60,634)</b>	<b>\$ -</b>	<b>\$ (1,032,233)</b>	<b>\$ (15,115)</b>	<b>\$ (1,047,348)</b>



**York Union Rescue Mission, Inc. and Subsidiary  
d/b/a LifePath Christian Ministries and Subsidiary**

Consolidating Schedule - Activities Information (continued)

	Year Ended June 30, 2022					
	Without Donor Restrictions				With Donor Restrictions	
	LifePath Christian Ministries	LifePath Thrift Stores, LLC	Eliminations	Total	LifePath Christian Ministries	Total
<b>Support and Revenue</b>						
Contributions	\$ 2,492,385	\$ -	\$ -	\$ 2,492,385	\$ 88,845	\$ 2,581,230
Thrift store sales	-	2,200,527	-	2,200,527	-	2,200,527
In-kind contributions	1,205,547	-	-	1,205,547	-	1,205,547
Other income	190,012	8,644	(123,752)	74,904	-	74,904
Fundraising	-	-	-	-	-	-
Gain on sale of property and equipment	75	-	-	75	-	75
Interest income	1,002	1	-	1,003	46	1,049
Rental income	84,000	-	(84,000)	-	-	-
Billed to Company	22,872	-	(22,872)	-	-	-
Net assets released from restrictions	60,830	-	-	60,830	(60,830)	-
<b>Total Support and Revenue</b>	<b>4,056,723</b>	<b>2,209,172</b>	<b>(230,624)</b>	<b>6,035,271</b>	<b>28,061</b>	<b>6,063,332</b>
<b>Expenses</b>						
Program services	2,783,292	2,188,387	(230,624)	4,741,055	-	4,741,055
Supporting services						
Management and general	487,821	-	-	487,821	-	487,821
Fundraising	995,001	-	-	995,001	-	995,001
<b>Total Expenses</b>	<b>4,266,114</b>	<b>2,188,387</b>	<b>(230,624)</b>	<b>6,223,877</b>	<b>-</b>	<b>6,223,877</b>
<b>Excess (Deficiency) of Support and Revenue over Expenses</b>	<b>(209,391)</b>	<b>20,785</b>	<b>-</b>	<b>(188,606)</b>	<b>28,061</b>	<b>(160,545)</b>
<b>Forgiveness of Notes Payable</b>	<b>-</b>	<b>138,600</b>	<b>-</b>	<b>138,600</b>	<b>-</b>	<b>138,600</b>
<b>Change in Value of Beneficial Interest in Trusts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(233,130)</b>	<b>(233,130)</b>
<b>Changes in Net Assets</b>	<b>\$ (209,391)</b>	<b>\$ 159,385</b>	<b>\$ -</b>	<b>\$ (50,006)</b>	<b>\$ (205,069)</b>	<b>\$ (255,075)</b>

**York Union Rescue Mission, Inc. and Subsidiary  
d/b/a LifePath Christian Ministries and Subsidiary**

Consolidating Schedule - Changes in Net Assets Information

	Without Donor Restrictions			With Donor Restrictions	
	LifePath Christian Ministries	LifePath Thrift Stores, LLC	Total	LifePath Christian Ministries	Total
<b>Net Assets at June 30, 2021</b>	\$ 2,856,603	\$ (79,694)	\$ 2,776,909	\$ 1,367,286	\$ 4,144,195
Changes in net assets	(209,391)	159,385	(50,006)	(205,069)	(255,075)
<b>Net Assets at June 30, 2022</b>	2,647,212	79,691	2,726,903	1,162,217	3,889,120
Changes in net assets	(971,599)	(60,634)	(1,032,233)	(15,115)	(1,047,348)
<b>Net Assets at June 30, 2023</b>	<u>\$ 1,675,613</u>	<u>\$ 19,057</u>	<u>\$ 1,694,670</u>	<u>\$ 1,147,102</u>	<u>\$ 2,841,772</u>

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

Consolidating Schedule - Expense Information

	Year Ended June 30, 2023			
	LifePath Christian Ministries	LifePath Thrift Stores, LLC	Eliminations	Total
Salaries and wages	\$ 1,643,970	\$ 965,477	\$ -	\$ 2,609,447
Supplies	1,338,183	96,517	-	1,434,700
Promotion and development	648,546	21,523	-	670,069
Rent expense	20,932	506,982	(42,000)	485,914
Utilities	115,684	155,101	-	270,785
Employee benefits	199,973	46,448	-	246,421
Professional fees	209,995	30,448	-	240,443
Payroll taxes	122,909	91,328	-	214,237
Repairs and maintenance	103,294	63,376	-	166,670
Depreciation and amortization	136,981	14,352	-	151,333
Insurance	77,860	58,846	-	136,706
Management fees	-	121,098	-	121,098
Travel and vehicle repairs and maintenance	19,076	50,889	-	69,965
Miscellaneous	35,114	29,485	(4,400)	60,199
Bank fees	5,577	49,950	-	55,527
Dues and subscriptions	45,662	-	-	45,662
Taxes and licenses	25,907	8,764	-	34,671
Telephone	9,306	22,789	-	32,095
Other program services	29,998	-	-	29,998
Recycling	-	22,200	-	22,200
Fundraising	21,948	-	-	21,948
Meals and entertainment	3,668	4,755	-	8,423
Permits and fees	8,004	-	-	8,004
Education and training	7,606	-	-	7,606
Interest	5,049	2,054	-	7,103
Licensing fee	-	29,676	(29,676)	-
	<u>\$ 4,835,242</u>	<u>\$ 2,392,058</u>	<u>\$ (76,076)</u>	<u>\$ 7,151,224</u>

**York Union Rescue Mission, Inc. and Subsidiary**  
**d/b/a LifePath Christian Ministries and Subsidiary**

Consolidating Schedule - Expense Information (continued)

	Year Ended June 30, 2022			
	LifePath Christian Ministries	LifePath Thrift Stores, LLC	Eliminations	Total
Salaries and wages	\$ 1,347,589	\$ 874,486	\$ -	\$ 2,222,075
Supplies	1,265,420	40,928	(2,113)	1,304,235
Promotion and development	553,216	24,484	-	577,700
Rent expense	40,251	476,859	(104,759)	412,351
Utilities	99,548	127,374	-	226,922
Employee benefits	181,963	55,894	-	237,857
Professional fees	186,675	26,697	-	213,372
Payroll taxes	100,753	83,526	-	184,279
Repairs and maintenance	145,977	37,004	-	182,981
Depreciation and amortization	122,925	9,021	-	131,946
Insurance	64,738	50,562	-	115,300
Management fees	-	113,260	-	113,260
Travel and vehicle repairs and maintenance	12,651	48,862	-	61,513
Miscellaneous	29,270	11,655	-	40,925
Bank fees	6,034	42,523	-	48,557
Dues and subscriptions	38,774	-	-	38,774
Taxes and licenses	25,351	3,081	-	28,432
Telephone	8,876	20,077	-	28,953
Other program services	5,028	-	-	5,028
Recycling	-	14,352	-	14,352
Fundraising	13,107	-	-	13,107
Meals and entertainment	3,453	2,914	-	6,367
Permits and fees	3,290	-	-	3,290
Education and training	9,463	-	-	9,463
Interest	1,762	1,076	-	2,838
Licensing fee	-	123,752	(123,752)	-
	<u>\$ 4,266,114</u>	<u>\$ 2,188,387</u>	<u>\$ (230,624)</u>	<u>\$ 6,223,877</u>