

RESCUE MISSION OF SALT LAKE, INC.

Financial Statements

December 31, 2015 and 2014

(With independent auditor's report thereon)

JOSEPH B. GLASS CPA, PC  
*Certified Public Accountant*



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### **Independent Auditor's Report**

To the Board of Directors  
Rescue Mission of Salt Lake, Inc.

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Rescue Mission of Salt Lake, Inc., which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, functional expenses and cash-flows for the years then ended, and the related notes to the financial statements.

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

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

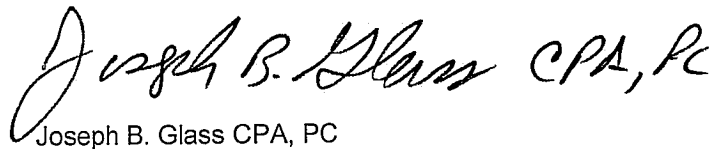
#### **Auditor's Responsibility**

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rescue Mission of Salt Lake, Inc. as of December 31, 2015 and 2014, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America,

Handwritten signature of Joseph B. Glass CPA, PC in cursive script.

Joseph B. Glass CPA, PC

Sandy, Utah

November 1, 2016

**RESCUE MISSION OF SALT LAKE INC.**

Statements of Financial Position

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,424,524	916,158
Prepaid expenses	3,240	3,137
Property and equipment:		
Land, buildings and building improvements	950,515	939,400
Furniture, fixtures and equipment	77,612	69,741
Vehicles	36,442	36,442
	<u>1,064,569</u>	<u>1,045,583</u>
Less accumulated depreciation	84,501	63,035
Net property and equipment	<u>980,068</u>	<u>982,548</u>
Investments in mutual funds (including restricted funds of \$1,098,347 and \$1,125,093 at December 31, 2015 and 2014 respectively)	1,192,992	1,221,413
<b>Total Assets</b>	<b><u>\$ 3,600,824</u></b>	<b><u>3,123,256</u></b>
<b>Liabilities and net assets:</b>		
Accounts payable	\$ 18,824	30,166
Accrued liabilities	13,124	22,443
Total liabilities	<u>31,948</u>	<u>52,609</u>
<b>Net assets:</b>		
Permanently restricted	998,145	1,022,462
Temporarily restricted	100,202	102,631
Unrestricted	2,470,529	1,945,554
Total net assets	<u>3,568,876</u>	<u>3,070,647</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 3,600,824</u></b>	<b><u>3,123,256</u></b>

See accompanying notes to financial statements.

**RESCUE MISSION OF SALT LAKE INC.**  
Statement of Activities and Changes in Net Assets  
Years ended December 31, 2015 and 2014

	2015			2014				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in unrestricted net assets:								
Revenues and gains:								
Contributions - cash	\$ 1,666,875	-	-	1,666,875	1,433,606	-	-	1,433,606
Contributions - noncash	1,368,712	-	-	1,368,712	1,362,384	-	-	1,362,384
Other income	20,473			20,473	18,293	-	-	18,293
Investment income (loss)	14,594	(2,429)	(24,317)	(12,152)	10,645	2,631	22,462	35,738
Transfer of funds	-	-	-	-	(1,100,000)	100,000	1,000,000	-
Total revenues and gains	3,070,654	(2,429)	(24,317)	3,043,908	1,724,928	102,631	1,022,462	2,850,021
Expenses and losses:								
Direct program expenses	2,137,691	-	-	2,137,691	2,163,593	-	-	2,163,593
Management and general	105,309	-	-	105,309	101,138	-	-	101,138
Fundraising	302,679	-	-	302,679	289,860	-	-	289,860
Total expenses	2,545,679	-	-	2,545,679	2,554,591	-	-	2,554,591
Increase in net assets	524,975	(2,429)	(24,317)	498,229	(829,663)	102,631	1,022,462	295,430
Net assets at beginning of year	1,945,554	102,631	1,022,462	3,070,647	2,775,217	-	-	2,775,217
Net assets at end of year	\$ 2,470,529	100,202	998,145	3,568,876	1,945,554	102,631	1,022,462	3,070,647

See accompanying notes to financial statements.

**RESCUE MISSION OF SALT LAKE INC.**  
**Statements of Cash Flows**  
**Years ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Increase in net assets	\$ 498,229	295,430
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	21,466	18,386
Net income (loss) on investments in mutual funds	28,421	(18,619)
Decrease (increase) in prepaid expenses	(103)	1,608
Increase (Decrease) in accounts payable	(11,342)	(4,118)
Increase (Decrease) in accrued liabilities	(9,319)	2,748
Net cash provided by operating activities	<u>527,352</u>	<u>295,435</u>
Cash flows from investing activities:		
Purchase of furniture and equipment	(18,986)	(59,332)
Sale of land held for investment	-	917,983
Purchase of investments in mutual funds	-	(1,202,794)
Net cash used by investing activities	<u>(18,986)</u>	<u>(344,143)</u>
Cash flows from financing activities:	-	-
Net increase in cash and cash equivalents	<u>508,366</u>	<u>(48,708)</u>
Cash and cash equivalents beginning of year	916,158	964,866
Cash and cash equivalents end of year	<u>\$ 1,424,524</u>	<u>916,158</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	\$ -	-
Income Taxes	-	-

See accompanying notes to financial statements.

RESCUE MISSION OF SALT LAKE, INC.  
Notes To Financial Statements  
December 31, 2015 and 2014

(1) Summary of Significant Accounting Policies

(a) Organization and Line of Business

The Rescue Mission of Salt Lake, Inc. (the Organization), a nonprofit Organization under section 501(c)(3) of the Internal Revenue Code, was incorporated in 1972 under the laws of the State of Utah for the purpose of providing food, clothing, lodging and other material support in addition to spiritual training and support to homeless and other qualifying individuals.

(b) Contributions

The Organization reports gifts of cash and noncash items as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. \$1,666,875 and \$1,433,606 of the contributions received during the years ended December 31, 2015 and 2014 respectively were cash and cash equivalents and \$1,368,712 and \$1,362,384 of the contributions received during the years ended December 31, 2015 and 2014 respectively were noncash.

All of the cash and noncash contributions received during 2015 and 2014 were unrestricted by the donors.

(c) Income taxes

The Organization is exempt from Federal and State income taxes under section 501(c)(3) of the Internal Revenue Code as a nonprofit organization.

(d) Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The Organization invests cash in excess of daily needs in short term investments and cash equivalents. Earnings received from these investments totaled \$26,053 and \$19,851 for the years ended December 31, 2015 and 2014 respectively.

(e) Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

RESCUE MISSION OF SALT LAKE, INC.  
Notes To Financial Statements  
December 31, 2015 and 2014

(1) Summary of Significant Accounting Policies (continued)

(f) Land, Buildings, Furniture and Equipment

Furniture and equipment are stated at cost less accumulated depreciation. Depreciation on furniture and equipment is calculated on the straight-line basis over the estimated useful lives of the assets.

(2) Concentrations of Credit

At December 31, 2015 and 2014 the Organization had deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance corporation of \$847,571 and \$538,493 respectively.

(3) Investment in Mutual Funds

Investment in mutual funds at December 31, 2015 and 2014 is summarised as follows:

	<u>2015</u>	<u>2014</u>
Various bond funds	\$ 727,448	766,359
Various growth and value funds	465,544	455,054
	<u>\$ 1,192,292</u>	<u>1,221,413</u>

The above amounts were recorded at fair market value based on quoted market price.

Included in the accompanying statement of activities and changes in net assets for the year ended December 31, 2014 are the following amounts representing earnings, losses and expense for the above investments:

	<u>2015</u>	<u>2014</u>
Realized earnings		
(interest and dividends)	\$ 25,459	19,431
Unrealized earnings (loss)	(24,162)	25,320
Administrative fees	<u>(14,042)</u>	<u>( 9,433)</u>
	<u>\$ (12,745)</u>	<u>35,318</u>

Three of the bond funds and two of the growth and value funds totaled \$853,252 at December 31, 2015 or approximately 72% of the total investments in mutual funds. No other mutual fund accounted for more than 5% of the total.

Three of the bond funds and two of the growth and value funds totaled \$871,167 at December 31, 2014 or approximately 71% of the total investments in mutual funds. No other mutual fund accounted for more than 5% of the total.



RESCUE MISSION OF SALT LAKE, INC.  
Notes To Financial Statements  
December 31, 2015 and 2014

(4) Land Held for Investment

During 2014 the land held for investment was sold for an amount totaling \$917,983. Commissions paid as a result of this sale totaled \$58,660 and is included in program expenses on the accompanying statement of activities and changes in net assets at December 31, 2014.

\$998,145 of the proceeds from the land sale are included in permanently restricted funds on the accompanying statement of financial position. These funds are restricted until such time as a new facility is acquired. In addition an additional \$100,202 is included temporarily restricted funds on the accompanying statement of financial position.

(5) Advertising and Promotion

During the years ended December 31, 2015 and 2014, the Organization incurred a total of \$20,985 and \$20,857 as advertising and promotion expense, respectively. Advertising costs are expensed as incurred.

(6) Subsequent events

Management of the Organization has evaluated any subsequent events that may require disclosure in these financial statement through November 1, 2016, the date that the financial statements were issued.